



SINARMAS SINS. Vendors wait for customers at their stalls outside Sinarmas Land Plaza during a car-free day at the main business district in Jakarta, Indonesia. Despite its denials, Sinarmas, one of the world's biggest paper producers, has extensive behind-the-scenes ties and significant influence over wood suppliers linked to fires and deforestation that have degraded Indonesia's stunning natural environment. (AP Photo/Dita Alangkara)

Forests watchdog sends ultimatum to Indonesian paper giant

By Stephen Wright
The Associated Press

BANGKOK — The main global group for certifying sustainable wood has sent a “come clean” ultimatum to one of the world’s largest paper companies and its billionaire Indonesian family owners following evidence it continues to cut down tropical forests and operate through corporate proxies.

A May 28 letter from the Forest Stewardship Council (FSC) seen by The Associated Press makes four demands of Sinarmas and the Widjaja family.

The conglomerate’s years-long effort to be readmitted to the council, whose stylized tree mark is an influential endorsement in the global marketplace, could be completely undone if it doesn’t comply. It was expelled in 2007 for extensive destruction of Indonesia’s rainforests.

The ultimatum comes after Greenpeace ended a five-year truce with Sinarmas, citing an AP investigation into its opaque corporate structure and accusing it of destroying tropical forests during the entire time the two were cooperating on conservation. Sinarmas founder Eka Tjipta Widjaja and his family control a \$9 billion fortune amassed from paper, palm oil, real estate, and other businesses, according to *Forbes*.

The forest council’s letter to the Asia Pulp & Paper arm of the Sinarmas conglomerate said it requires a “demonstration of the highest level of commitment by the Widjaja family” to the council’s standards, which include protection of natural forests and human rights.

It demands a “high level, official, and public announcement” of that commitment; proposed remedies to Greenpeace’s evidence of deforestation; a full disclosure by June 11 of Asia Pulp & Paper’s corporate structure, including its wood suppliers, shell companies, and offshore companies, and their true ownership; and disclosure by June 11 of any other violations of the council’s standards.

Asia Pulp & Paper had no immediate comment. It said it would not be able to comment on the letter unless FSC agrees. The council didn’t immediately respond to a request for comment.

Indonesia’s rainforests, among the world’s largest, are an important buffer against global warming and a haven for a staggering diversity of wildlife including critically endangered orangutans, tigers, and rhinos. But they are being cleared faster than in any other country, swelling the profits of paper and palm oil conglomerates while causing chronic social and environmental problems. Rapid forest loss and greenhouse-gas emissions have made Indonesia the fourth biggest contributor to global warming after China, the U.S., and India.

The country’s emissions soared in 2015 when record dry-season fires, worsened by draining of swampy peatland forests for plantations and El Niño weather conditions, burned 10,000 square miles of plantations and forests. The smoke blanketed much of Indonesia, Singapore, Malaysia, and southern Thailand in a health-damaging haze.

Greenpeace’s investigation, which included analysis of satellite imagery, showed that two companies connected to Sinarmas cleared almost 8,000 hectares (19,770 acres) of forest and peatland on Borneo during the five years it was advising the conglomerate on forest conservation. Its Asia Pulp & Paper arm acknowledged that employees had been shareholders of one of the plantation companies. Sinarmas’ direct ownership of the second plantation company named by Greenpeace is a matter of public record.

The investigation followed AP stories in December that found extensive links between Sinarmas, its pulp and paper and forestry arms, and nearly all the 27 plantation

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Malaysia seizes luxury bags, cash, and jewelry in probe of ex-PM

By Eileen Ng
The Associated Press

KUALA LUMPUR, Malaysia — Malaysian police confiscated 284 designer handbags and 72 suitcases containing cash, jewelry, and other valuables as part of a corruption and money-laundering investigation into former Prime Minister Najib Razak.

Commercial crime chief Amar Singh said the valuables were seized in a search at apartments linked to Najib at an upscale condominium in Kuala Lumpur.

Singh said the seizure was part of investigations into a corruption scandal at the 1MDB state fund, which is also being probed by the U.S. and other countries.

U.S. investigators say Najib’s associates stole and laundered \$4.5 billion from the fund, some of which landed in Najib’s bank account, and that \$23 million was used to buy a pink diamond necklace for his wife. Najib, whose coalition was ousted in a stunning election defeat, denies any wrongdoing.

Television networks showed police carting away orange boxes containing handbags and luggage of various sizes from the condominium. Each orange box had a label and a picture of the bag.

The labels on some of the boxes seen by The Associated Press described the bags as a “navy blue crocodile skin with diamond,” a “blue with diamond” crocodile skin Hermes, and a gray crocodile skin Hermes. All appeared to be new and were bought abroad, including in Paris and Switzerland in 2013 and 2015.

Singh said the seizure included Birkin Hermes bags, cash in various currencies, watches, and a “big amount” of jewelry. Najib’s wife, Rosmah Mansor, is known in Malaysia for her love of Birkin bags, which luxury publications say cost from \$12,000 to more than \$200,000.

Singh declined to say to whom the apartments belonged. He said the “search was conducted in relevance to



BOXES OF BAGS. Boxes containing confiscated items are seen inside a police truck in Kuala Lumpur, Malaysia. Malaysian police confiscated a few hundred designer handbags and dozens of suitcases containing cash, jewelry, and other valuables as part of a corruption and money-laundering investigation into former Prime Minister Najib Razak. (AP Photo)

our 1MDB investigations.”

Police conducted simultaneous raids at several other locations, including Najib’s family home, his former office as prime minister, and an official residence. Documents related to 1MDB were taken from the office and police are still trying to crack open a safe in Najib’s house, he said.

He declined to say if the haul would lead to an indictment for Najib. The search for evidence continues, he said.

New Prime Minister Mahathir Mohamad, who led an opposition alliance to victory in May 9 polls that ended the 60-year rule of Najib’s coalition, has reopened the probe into 1MDB.

Mahathir, 92, has said an initial investigation showed the scale of wrongdoing by Najib’s administration was more serious than thought. He has said that arrests will be made when there is evidence, and there would be “no deal” with Najib. Mahathir was premier for 22 years

until 2003 but made a political comeback amid anger over the 1MDB scandal.

Police spent 20 hours searching Najib’s house, and his lawyer said items such as handbags and clothing were taken away. Several police cars arrived at Najib’s house, fuelling speculation his arrest may be imminent. Najib and his wife have been barred from travelling overseas.

Mahathir has said the government will seek to retrieve billions of dollars laundered from 1MDB to repay government debts that have piled up over the years. The government has also told the current attorney general, who cleared Najib of wrongdoing in 2016, to go on leave, and has relieved the country’s treasury chief, who is also the 1MDB chairman.

The government has set up a five-member committee, including a former attorney general and an adviser to Indonesia’s Financial Services Authority, to handle the 1MDB case.

Malaysia’s leader expresses regret over ending MH370 search

KUALA LUMPUR, Malaysia (AP) — Malaysian Prime Minister Mahathir Mohamad said his country regrets having to end the search for Malaysia Airlines Flight 370 and will consider resuming the hunt for the plane if any new information emerges.

The final search effort, focused on the seabed in the distant Indian Ocean, ended after more than three months. Malaysia had signed a “no cure, no fee” deal with U.S. technology company Ocean Infinity to resume the hunt in January, a year after the official search by Australia, Malaysia, and China was called off, and nearly four years after the plane went missing.

Mahathir said Malaysia has come to a stage “where we cannot keep on searching for something we really cannot find.”

“If anybody has any information, we will consider resuming the search, but at the moment we have to put a stop to the search,” he told a news conference. “We regret very much and we understand the feelings of the relatives, but we cannot keep on searching for this 370 forever.”

The plane vanished with 239 people on board on March 8, 2014 while flying from Kuala Lumpur to Beijing. Confirmed debris that washed ashore in the western

Indian Ocean helped narrow the search area where Ocean Infinity focused.

The company said that the search covered more than 43,000 square miles of ocean floor — an area more than four times larger than the zone targeted by experts as the most likely crash site — but failed to uncover any evidence in one of the world’s biggest aviation mysteries.

Ocean Infinity stood to be paid \$70 million if it had found the wreckage or black boxes.

Transport minister Anthony Loke said the international safety investigation team is expected to finalize and release its final report on the case by July.

Loke said the government remains “ever hopeful that we will be able to find the answers we seek and new information will come to light and that at some point in the future, the aircraft will be located.”

Voice370, a support group for next-of-kin, has said Malaysia’s new government had given the families no information about what would happen next. Its spokeswoman, Grace Nathan, has urged Malaysia not to give up, saying the fact that the current search failed to find any clue meant there was more reason to reinvestigate and re-evaluate the case.



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