

**Forest Rescue Alliance Riau  
(WALHI Riau, Jikalahari, and Ornop Association Riau) Report**

**STRONG EVIDENCE THAT PT INDAH KIAT PULP & PAPER RECEIVED  
ILLEGAL WOOD FROM  
TESSO NILO IN JULY 2004**

**I. INTRODUCTION**

**Background**

Forest Rescue Alliance Riau (FRAR) comprises three local NGO networks – WALHI, JIKALAHARI and ORNOP Association Riau. FRAR aims to rescue the remaining forests in Riau Province, Sumatra, and has established an “Anti Illegal Logging Working Group” which conducts routine investigations, monitoring and surveys into illegal logging activities and illegal timber deliveries to sawmill, plywood, pulp and paper industries.

Our activities include collecting data and information in line with our vision to save Riau’s forests. These are considered to be the last viable natural forests in Sumatra, and include protected forests in wildlife sanctuaries and the National Park. However, due to the limited human and financial resources of our Working Group, we have restricted our activities to two sites: the proposed Tesso Nilo National Park and the Sultan Syarif Qasim Protected Forest.

The principal reasons for prioritizing the proposed Tesso Nilo National Park are that it is home to one of the last lowland forests in Sumatra, it hosts a very high level of biodiversity, and it is one of the last natural habitats for endangered species such as the Sumatran elephant and Sumatran tiger. It is therefore in urgent need of protection if these extraordinary species and habitats are to be preserved for future generations.

The Riau Regional Government has proposed the Tesso Nilo forest areas as a Sumatran Elephant Conservation Area. The Department of Forestry has responded positively, and has gazetted part of this forest as Phase I of the Tesso Nilo National Park. This covers around 38,576 ha of land formerly owned by HPH PT Inhutani IV (ex-PT Dwi Marta). This was done on 19 July 2004 under Decree No. 255/Menhut-II/2004, which regulates any change from limited production forest areas in the Tesso Nilo forest area, which is located in the District of Pelalawan and Indragiri Hulu.

## **July 2004 Investigation**

This report is the result of an investigation by the Anti Illegal Logging Working Group into illegal logging activities within the proposed Tesso Nilo National Park Phase II, and the delivery of illegal wood in July 2004. During the investigation between 11 and 13 July 2004, our team found strong evidence that wood illegally harvested within the Tesso Nilo Phase II was delivered to Asia Pulp & Paper's Indah Kiat pulp and paper mill (IKPP mill).

The Tesso Nilo Phase II currently comprises three logging concessions – PT Hutani Sola Lestari, PT Nanjak Makmur and PT Siak Raya Timber. In 2001, Riau Andalan Pulp & Paper (RAPP, a subsidiary of Asia Pacific Resources International Limited, (APRIL)) developed acacia plantations on both sides of its logging road which cuts across the logging concession of PT Hutani Sola Lestari. Since then, this “RAPP corridor” has provided illegal logging groups with an easy access to the natural forest in the interior of Tesso Nilo. The illegal logging investigated by our team between 11 and 13 July 2004 happened inside the PT Hutani Sola Lestari concession. An access road starting from the RAPP corridor was used to enter the concession.

### **Method of Monitoring and Sites of Investigation**

The investigation was conducted between 11 and 13 July 2004. The investigation process was as follows:

- Checked the “RAPP corridor” until the investigation team found the entrance of an access road used by an illegal logging group to encroach into the natural forest area which lies behind the acacia plantation of RAPP.
- Used this access road to reach the logging site to observe the logging activities.
- Followed the wood deliveries starting from the logging site, loading site until delivery to the final destination which, in this case, was the IKPP mill.
- Secretly recorded the activities of the illegal logging group using photographs and video.
- Conducted interviews with the workers in the logging site and drivers of the trucks delivering the illegal wood.
- Collected data at each Forestry Check Post along the tracking route until the investigation team confirmed that the trucks, fully loaded with the illegal wood harvested within the Tesso Nilo Phase II, entered the IKPP mill and that the first truck came out of the mill unloaded.


The investigation team collected the following data:

- GPS location of the logging and loading operation.
- Name of the group conducting the logging.
- Description of the logging equipment.
- License plates of the transporting trucks.
- Photos and video footage of the license plates, loading operation in the logging area and the transporting of wood until they arrived at the IKPP mill.
- Time when trucks with illegal logs left the site being investigated.
- Time and location where trucks stopped and were eventually unloaded at the IKPP mill.
- (When possible) transcripts or photos of transport documents used by trucks.

## II. INVESTIGATION RESULTS

The following table is the summary of our findings.

**Table 1. Summary of findings during the investigation between 11-13 July 2004**

Date	Time	Finding
12 July		<ul style="list-style-type: none"> <li>• The investigation team identified an illegal logging location in the Tesso Nilo Phase II, which is within the current logging concession of PT Hutani Sola Lestari.</li> <li>• The investigation team discovered that this illegal logging was financed by a man with the initials ED (from Pekanbaru) and executed in the field by three men with the initials JN, SDH and KB (influential people in Simalinyang village).</li> <li>• The worker in the field confirmed to the investigation team that they started their illegal logging activities on 13 June 2004.</li> <li>• The GPS coordinate of the area where the trucks were being loaded is S.00 01 14.7. E. 101 30 49.0. The actual logging site was not far from this point, so the investigation team could see the logging operations.</li> </ul> <div style="text-align: center;">  </div> <p><i>Figure 1. Illegal logging site inside the logging concession of PT Hutani Sola Lestari, which is within the proposed Tesso Nilo National Park (Photo 12 July 2004).</i></p> <ul style="list-style-type: none"> <li>• We identified the following equipment used by the group: <ul style="list-style-type: none"> <li>➤ 2 excavators</li> <li>➤ 2 bulldozers</li> <li>➤ 1 4-wheel drive car with a Hiline pick-up bearing the license plate BM 8745 LV.</li> <li>➤ 3 4-wheel drive Taft Rocky cars bearing the license plates BM 1828 AD, BM 1812 AE and BK 45 YC.</li> <li>➤ 11 logging trucks bearing the license plates BM 8108 LV, BM 9139 LA, BM 8664 AD, BM 9660 AC, BM 9203 SA,</li> </ul> </li> </ul>

- BM 9562 AA, B 9276 IO, BM 8405 AE, BM 9508 LA,
- B 9079 JP and BA 9947 JP.



Figure 2. The excavator and bulldozer used by the logging group (Photo: 12 July 2004).



Figure 3. Trucks loaded at the logging site (Photo: 12 July 2004).

12 July	09:23	<ul style="list-style-type: none"> <li>• 8 logging trucks were being loaded or were fully loaded and ready to depart: license plates BM 8108 LV, BM 9139 LA, BM 8664 AD, BM 9660 AC, BM 9203 SA, BM 9562 AA, B 9276 IO and BM 8405 AE.</li> <li>• Logging trucks were waiting in front of a logging camp.</li> <li>• All 11 trucks seen by the team bore the words KILAT SENJA (“afternoon thunder”).</li> </ul>
12 July	10:15	<ul style="list-style-type: none"> <li>• 2 more trucks, BM 9058 LA and B 9079 JP, were being loaded.</li> </ul>
12 July	11:03	<ul style="list-style-type: none"> <li>• 1 logging truck, BA 9947 JP, was entering the logging site. We obtained the Bill of Lading for this truck: <ul style="list-style-type: none"> <li>➤ Transport Invoice Serial Number: <b>IKPP.C 425866</b></li> <li>➤ HPH/IPK/ISL Holder’s Name: KOPONTREN AL-KAUTSAR</li> <li>➤ Logging Unit/Block: IPK No. 522.21/IPK/IV/2003/013</li> <li>➤ Issuing District: Pelalawan District</li> <li>➤ Loading Site: Langgam village</li> </ul> </li> </ul>



Figure 4. The Transport Document (Surat Pengantar) (left) and the government- issued Bill of Lading (Faktur Angkutan) (right) used by the truck BA 9947 JP (Photo:12 July 2004). The documents specify the origin of wood as Langgam village – very different to the actual location of the harvest, which was inside the proposed Tesso Nilo National Park.

12 July	15:00	<ul style="list-style-type: none"> <li>All 11 trucks departed from the logging site, except BA 9947 JP.</li> </ul>															
12 July	16:10	<ul style="list-style-type: none"> <li>Truck BM 8108 LV arrived at the APRIL corridor.</li> </ul>															
12 July	16:35	<ul style="list-style-type: none"> <li>Truck BM 8664 AD arrived at the APRIL corridor.</li> </ul>															
12 July	17:07	<ul style="list-style-type: none"> <li>Truck BM 9660 AC arrived at the APRIL corridor.</li> </ul>															
12 July	17:09	<ul style="list-style-type: none"> <li>Truck BM 9203 SA arrived at the APRIL corridor.</li> </ul>															
12 July	17:19	<ul style="list-style-type: none"> <li>Truck BM 9562 AA arrived at the APRIL corridor.</li> </ul>															
12 July	21:45	<ul style="list-style-type: none"> <li>4 trucks, BM 9508 LA, BM 8664 AD, BM 9660 AC and BM 9203 SA, arrived at Simpang Koran.</li> </ul>															
12 July	22:40	<ul style="list-style-type: none"> <li>4 trucks, BM 9058 LA, BM 8664 AD, BM 9660 AC and BM 9203 SA, arrived at Tanjung Pauh Forestry Check Post.</li> </ul>															
13 July	02:15	<ul style="list-style-type: none"> <li>5 trucks, BM 9058 LA, BM 8664 AD, B 9079 JP, BM 8405 AE and BM 8108 LV, arrived at Minas Restaurant (GPS: N. 00 39 15.7 E. 101 25 30.5 ).</li> </ul>															
13 July	08:00	<ul style="list-style-type: none"> <li>2 trucks, BM 9058 LA and B 9079 JP, departed from Minas Restaurant.</li> </ul>															
13 July	08:08	<ul style="list-style-type: none"> <li>2 trucks, BM 9058 LA and B 9079 JP, arrived at Minas Forestry Check Post.</li> </ul>															
13 July	08:25	<ul style="list-style-type: none"> <li>2 trucks, BM 8108 LV and BM 8664 AD, departed from Minas Restaurant.</li> </ul>															
13 July	08:31	<ul style="list-style-type: none"> <li>3 trucks, BM 8108 LV, BM 9660 AC and BM 8664 AD, arrived at Minas Forestry Check Post.</li> <li>The investigation team checked the following Bills of Lading used by four trucks at Minas Forestry Check Post:</li> </ul> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th>No</th> <th>Time</th> <th>Truck License Plate</th> <th>Clear-cut Concession Owner</th> <th>Transport Invoice Serial Number</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>08:08</td> <td>BM 9058 LA</td> <td>Koppontren Al – Kautsar</td> <td>IKPP. C 425736</td> </tr> <tr> <td>2</td> <td>08:08</td> <td>B 9079 JP</td> <td>Koppontren Al – Kautsar</td> <td>IKPP. C 425737</td> </tr> </tbody> </table>	No	Time	Truck License Plate	Clear-cut Concession Owner	Transport Invoice Serial Number	1	08:08	BM 9058 LA	Koppontren Al – Kautsar	IKPP. C 425736	2	08:08	B 9079 JP	Koppontren Al – Kautsar	IKPP. C 425737
No	Time	Truck License Plate	Clear-cut Concession Owner	Transport Invoice Serial Number													
1	08:08	BM 9058 LA	Koppontren Al – Kautsar	IKPP. C 425736													
2	08:08	B 9079 JP	Koppontren Al – Kautsar	IKPP. C 425737													



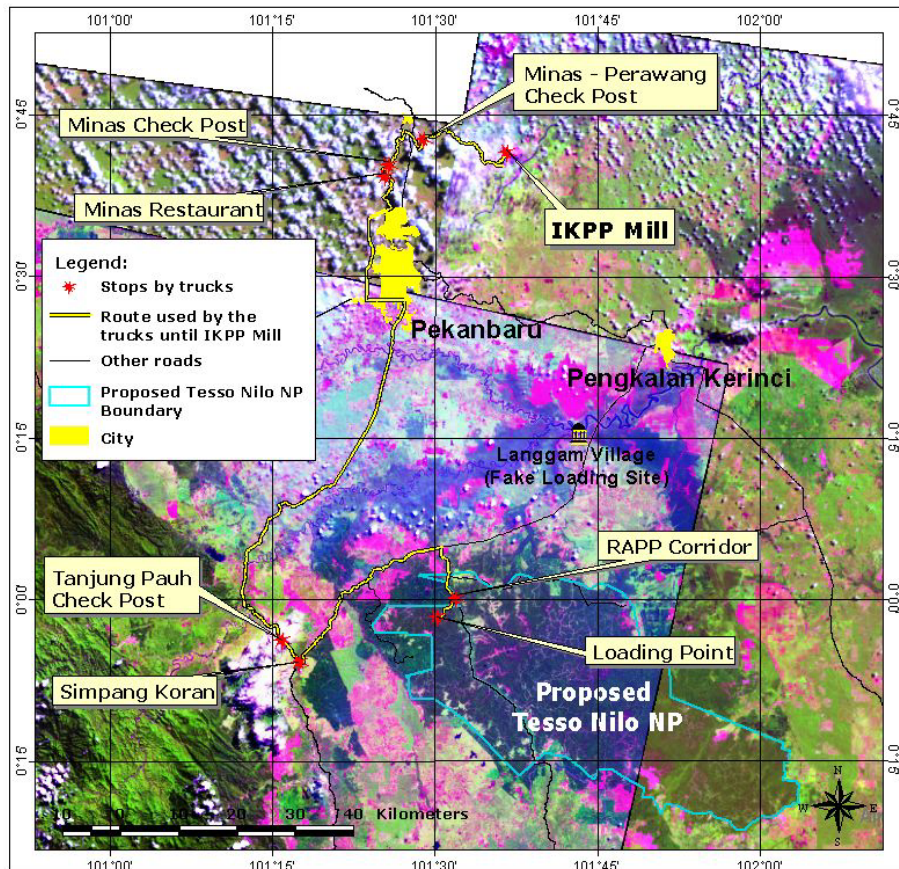
		<p>3 08:31 BM 8664 AD Koppontren AI – Kautsar IKPP. C 425868</p> <p>4 08:31 BM 8108 LV Koppontren AI – Kautsar IKPP. C 425863</p>
<b>13 July</b>	<b>09:15</b>	<ul style="list-style-type: none"> <li>2 trucks, BM 8664 AD and BM 9660 AC, arrived at the Restaurant in Minas-Perawang (GPS: N. 00 42 43.0 E. 101 29 02.6).</li> </ul>
<b>13 July</b>	<b>13:05</b>	<ul style="list-style-type: none"> <li>Truck BM 8405 AE entered in the APP mill loaded with wood.</li> </ul>
<b>13 July</b>	<b>14:23</b>	<ul style="list-style-type: none"> <li>Truck BM 8664 AD entered in the APP mill loaded with wood.</li> </ul>
<b>13 July</b>	<b>14:25</b>	<ul style="list-style-type: none"> <li>Truck BM 9660 AC entered in the APP mill loaded with wood.</li> </ul>
<b>13 July</b>	<b>15:41</b>	<ul style="list-style-type: none"> <li>Truck BM 9058 LA entered in the APP mill loaded with wood.</li> </ul> <p>The following photos of BM 9058 LA at the logging site and the APP mill gate show that the same set of wood from Tesso Nilo Phase II was delivered to APP: the composition of logs is identical.</p>  <p><i>Figure 5. Truck BM 9058 LA at the logging and loading site (Photo: 12 July 2004).</i></p>  <p><i>Figure 6. Truck BM 9058 LA entering the APP mill (Photo: 13 July 2004).</i></p>



Figure 7. Close-up of the truck BM 9058 LA in front of the APP mill gate (Photo: 13 July 2004)

13 July	15:43	<ul style="list-style-type: none"> <li>4 trucks, BM 9203 SA, BM 9562 AA, B 9276 IO and B 9079 JP, entered the APP mill loaded with wood.</li> </ul>
13 July	16:20	<ul style="list-style-type: none"> <li>Truck BM 9058 LA left the APP mill unloaded.</li> </ul>



*Figure 8. Sites of investigations: proposed Tesso Nilo National Park in Riau, Sumatra; pulp & paper mill of APP's IKPP; the illegal logging site identified by the investigation; trucking routes (red and black lines) to IKPP mill; rest stops along the routes; and the fake logging site (Langgam village) mentioned on the Bill of Lading.*

### **III. CONCLUSIONS**

1. Illegal logging operations were conducted in the proposed Tesso Nilo National Park.
2. There is a strong indication that PT Indah Kiat Pulp & Paper received the illegal wood from these operations in the proposed Tesso Nilo National Park, located within the logging concession of PT Hutani Sola Lestari. This was harvested by an illegal logging group financed by a man with the initial E.D. (from Pekanbaru) and executed in the field by three men with the initials JN, SDH and KB (influential people in Simalinyang village).
3. a. There are strong indications that PT Indah Kiat and Paper (IKPP) has committed a forest crime in violation of Article 50, Clause 3, Item f, Action no. 41 1999. This forbids receiving, purchasing and storing or owning any forest harvest identified as, or suspected of, coming from illegally forested areas or being illegally cut.  
b. For these actions, PT IKPP as the operator could be sentenced to a maximum of 10 years imprisonment and fined Rp 5,000,000,000.00 (five billion rupiah – around US\$545,000) maximum.
4. a. There are strong indications that the logging group (ED, JN, SDH and KB) committed forestry crime in violation of Article 50, Clause 3 which forbids encroaching upon forest areas without the right or permit from the relevant authority; selling, storing or owning forest harvest that is identified as, or suspected of, being illegally taken or collected from forest areas; and delivering, possessing or owning a forest harvest without a permit to harvest.  
b. For these actions, the suspect could be sentenced to a maximum of 10 years imprisonment and fined Rp. 5,000,000,000.00 (five billion rupiah – around US\$545,000) maximum.

### **IV. RECOMMENDED ACTIONS**

1. Forest Rescue Alliance Riau calls upon PT IKPP to check and control its raw material sources and to stop purchasing illegal wood, especially that derived from Tesso Nilo.
2. Forest Rescue Alliance Riau calls upon the Riau Provincial Forestry Department and the Riau Police Department to follow up the findings of this report and prosecute all parties involved in this illegal logging and illegal wood trade activity. This report could be used as evidence in the legal process.

*Pekanbaru, 14 September 2004*