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The Stolen Forests: China, Russia, the US and the Covert War on Illegal Logging

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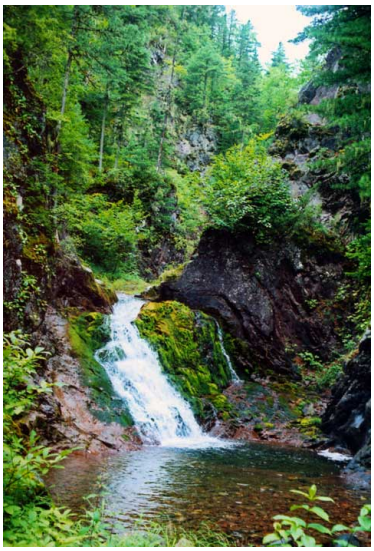
Timber in the train station at Suifenhe, China. The country is now the world's largest importer of logs and exporter of finished wood products. Photograph by Lu Guang.

The town of Suifenhe, a former Russian imperial outpost on the Trans-Siberian Railway, has belonged to China since the nineteen-forties, and occupies a broad valley in northern Manchuria. From a distance, its homes and factories appear to cling to a rail yard, with tracks fanning out into a vast latticework of iron as they emerge from the Russian border. Suifenhe is a place of singular purpose. Nearly every train from Russia brings in just one commodity: wood—oak, ash, linden, and other high-value species. There is also poplar, aspen, and larch, and occasionally great trunks of Korean pine, a species that was logged by the Soviets until there was almost none left to cut down. In a year, more than five billion pounds of wood cross over from Primorski Krai, the neighboring province in the Russian Far East. Hundreds of railcars enter Suifenhe every day, many loaded beyond capacity with logs. The wood is shuttled between mills by hand, often six men to a log. Other workers, many of whom are migrants from elsewhere in China, operate cranes to empty the rail carriages, and at sundown they bring the machinery to rest, with beams pointing upward, like arms outstretched, waiting for the rush of timber that will arrive the following day.



Primorski Krai

On a warm afternoon last May, an environmental activist named Alexander von Bismarck and a man whom I will call Wu De entered Suifenhe by taxi. They had brought with them surveillance equipment; they were working for a nonprofit group called the Environmental Investigation Agency, which tries to uncover how plants, wildlife, and industrial chemicals are smuggled. Von Bismarck is the organization's executive director, and one of the world's leading experts on timber smuggling. He is thirty-six years old, trim and tall, with fiery red hair, but he possesses a quiet bearing that allows him to recede in a crowd. (Most people know him as Sascha, but a few friends call him RoboCop, because once, while in the tropics, he insisted on jogging in hundred-degree heat.) Wu is from Southeast Asia, but he is fluent in Mandarin Chinese. Both men had prepared false identities, as employees of Axion Trading—one of several companies created by E.I.A. as fronts.

Alexander von Bismarck

Chances are good that if an item sold in the United States was recently made in China using oak or ash, the wood was imported from Russia through Suifenhe. Because as much as half of the hardwood from Primorski Krai is harvested in violation of Russian law—either by large companies working with corrupt provincial officials or by gangs of men in remote villages—it is likely that any given piece of wood in the city has been logged illegally. This wide-scale theft empowers mafias, robs the Russian government of revenue, and assists in the destruction of one of the most precious ecosystems in the Northern Hemisphere. Lawmakers in the province have called for "emergency measures" to stem the flow of illegal wood, and Russia's Minister of Natural Resources has said that in the region "there has emerged an entire criminal branch connected with the preparation, storage, transportation, and selling of stolen timber."

When von Bismarck and Wu arrived in Suifenhe, they saw traces of this immense crime—a destructive black market merging into the global economy. This is what they had come to investigate.

John le Carré once described a spy as a "silent spectator," someone who builds himself a persona from "all the odd bits of his life that are left over after he has given the rest away." When constructing his aliases, von Bismarck often draws upon his personal history. (He has asked me not to explain which bits, so as not to ruin his cover.) As the great-great-grandnephew of Otto von Bismarck, the Iron Chancellor, he can trace his genealogy back at least seven hundred years. He is the

grandson of Klaus von Bismarck, a German military officer who fought during the Second World War but was a staunch anti-Nazi who later became president of the Goethe-Institut. Sascha's father, Gottfried, is a business executive and engineer who helped equip West German submarines with sonar. His mother, Kai Maristed, is an American novelist—a daughter of James Abegglen, who served in the Pacific as a marine and later became a specialist on Japanese business culture and a vice-president of the Boston Consulting Group. Sascha was born in Munich, but his parents divorced soon afterward, and, following a difficult custody battle, he split his youth between Germany and the United States. He said, "There was this sort of existence of going back and forth between two poles, two very different worlds, and arriving in this other camp, and loving both sides, and speaking to both sides, and becoming very aware of the hurt on both sides."

Von Bismarck developed a quiet manner and an unwavering earnestness. He entered Harvard in 1990, with an interest in biology, but he was restless and repeatedly took time off. He tried his hand at competitive horse jumping and thought that the Olympics might be a realistic goal. He assisted in a study of aquatic life in Lake Victoria. He joined the Marines, hoping to become involved in military intelligence, but left after two years. When he first learned about E.I.A., in 1995, from an article in a German newspaper, he immediately flew to its main office, in London, for an interview, again ready to suspend college. (He graduated from Harvard in 2002.) "The office was like a newsroom," he recalled. "Everyone was running around and screaming and taking calls." At the time, E.I.A. was a little more than ten years old. Its founders—Allan Thornton, an environmentalist from Canada; Dave Currey, a photographer from the United Kingdom; and Jennifer Lonsdale, a former cook—had ties to Greenpeace, and were influenced by its aggressiveness, but felt lost in its size. Thornton had considered calling their organization the Conservation Investigation Agency, he told me, but ruled it out because the initials "would be a never-ending joke." Still, E.I.A. is sometimes mistaken for a government agency, "which is normally not to our advantage," von Bismarck said. "Once, while going up a river in the Mosquito Coast, we tried to radio a pilot to tell him who we were: E.I.A. He told us that listening in on those calls were drug smugglers, and he was certain they thought we were American agents trying to stop the cocaine coming through. We had even seen cocaine floating in the lagoons."

Not long after he joined the organization, von Bismarck began working on campaigns designed to curtail deforestation. Currently, a third of the world's landmass is forested, which may seem substantial but represents a stark historical decline. During the past ten thousand years, the planet's original forest cover has decreased by nearly half. While Rome grew, Horace wrote of the farmer who "subdues his woodland with flames and plow." In medieval China, the poet Mencius described "bald" landscapes—a reference to forests cleared for fuel and grazing. In Europe and North America, deforestation occurred at a rapid pace centuries ago, but no cycle of forest loss has been as dramatic as that of the modern era. Much of the world's forest cover has been destroyed in the past two centuries—since 1990 the planet lost nearly half a million square miles of forest, an area twice the size of France. Michael Williams, an emeritus professor of geography at Oxford and the author of "Deforesting the Earth," refers to the period of deforestation following the Second World War as "the great onslaught."

A fifth of the world's wood comes from countries that have serious problems enforcing their timber laws, and most of those countries are also experiencing the fastest rates of deforestation. Until a decade ago, many governments were reluctant to acknowledge illegal logging, largely because it was made possible by the corruption of their own officials. As early as the nineteeneighties, the Philippines had lost the vast majority of its primary forests and billions of dollars to illegal loggers. Papua New Guinea, during roughly the same period, experienced such catastrophic forest loss that it commissioned independent auditors to assess why it was happening; they determined that logging companies were "roaming the countryside with the self-assurance of robber barons; bribing politicians and leaders, creating social disharmony and ignoring laws in order to gain access to, rip out, and export the last remnants of the province's valuable timber." In 1998, the Brazilian government announced that most of the country's logging operations were being conducted beyond the ambit of the law.

E.I.A. began to focus on illegal logging after receiving a plea for help from scientists working in the jungles of Southeast Asia. In 1999, Biruté Mary Galdikas, a leading expert on orangutans and an acolyte of Louis Leakey, told Thornton that men with chain saws were cutting into protected Indonesian forests where she had been conducting her research. "It turned out that someone had just illegally redrawn the boundary of the park so that the local timber baron could have access to the trees," Thornton said. Indonesia is home to more endangered species than any other place in the world, and logging was conducted in a state of near total anarchy. By the late nineteen-nineties, the government estimated that as much as seventy per cent of the country's total timber harvest was illegal, and the World Bank calculated that Indonesia was losing three and a half billion dollars annually because of it. In a series of undercover investigations, E.I.A. and an Indonesian group called Telapak discovered that many loggers were targeting a tree called ramin, which had great strength, was easy to stain, and could be sliced into thin pieces. Ramin turned up in the West in countless cheap items: paintbrushes, two-dollar pool cues, dowels. Even after Indonesia banned the export of ramin, in 2001, the wood was still smuggled out of the country in large volumes.

Von Bismarck's first undercover job, he told me, was "following the ramin trail." By temperament and upbringing, he seemed well suited for clandestine operations. He once told me that his favorite book, which he had read in the fourth grade, was "All the King's Men." When I asked him why, he said, "In terms of how the world works, you have people interacting in a very sensible way, and in some cases it added up to corruption, and in some cases it added up to good things. The book presents a very complicated system, a muddled world, but also a very human world." Von Bismarck's family life was also complicated and muddled and very human, of course, and Gottfried, his father, told me that "as a result, I think, he has developed a great ability to integrate conflicting parties." Occasionally, I heard von Bismarck speak empathetically about the very people he was trying to catch—"poor guys doing really hard work, destroying the natural resources of their own area, and getting arrested."

In 2003, von Bismarck picked up the trail in Singapore, where he went undercover and met with a trafficker who boasted that profits from black-market ramin were "better than drug smuggling." In Malaysia, he met with associates of an underworld figure known as the Ramin King, who described how the wood was given false Malaysian paperwork to obscure its origins. In Taiwan, he secretly filmed a baby-crib manufacturer named Jim Lee, who made products that were sold at J. C. Penney, and who said that he was shipping thousands of cribs made with ramin to Wal-Mart, "even though it is smuggled." Von Bismarck presented this information to Taiwanese officials, who raided Lee's facilities and barred half of his stock from export. (Lee now maintains that his wood was legal.) Von Bismarck also contacted J. C. Penney and Wal-Mart—both took steps to remove items made of ramin from their stores—and notified American authorities, who put imports from Lee's factory on a watch list. A former customs officer told me, "He gave us the same kind of information that we would have expected from another agent. It was amazing to us that there was somebody out there who could keep track of that sort of thing." This year, some of von Bismarck's undercover footage—of a manufacturer in Shanghai who allegedly sold illicit ramin to American companies—helped bring about a U.S. federal indictment.

Ramin tree

Lee had told von Bismarck that furniture manufacturers were leaving Taiwan in large numbers for mainland China, and after his workplace was raided he opened a factory there, too. While more and more manufacturers were moving to China, the forestproducts industry there was dramatically changing. In 1998, the Yangtze River watershed flooded, killing more than three thousand people and causing more than thirty billion dollars in damage. At the time, some Communist Party officials believed that the flood was exacerbated by soil erosion—the result of "over quota" cutting of trees—and the government banned logging throughout much of the country. In order to meet its immense demand for raw materials, China began to buy unprecedented quantities of wood from abroad; it is now the largest importer of logs and also the largest exporter of finished wood products. China began to act the way many developed countries in North America and Europe do: it

had destroyed much of its primary forests, gained from doing so, and was now protecting the trees it had left by buying wood indiscriminately, often from "high risk" countries, like Indonesia. The year of the flood, China started importing large volumes of wood from Russia, which has more forest than any country in the world and was in a state of political and economic anarchy. The greatest traffic in illicit wood is now thought to be from Russia to China.

All investigations must begin with a plan, and von Bismarck had begun devising his operation in Manchuria months earlier, from an office in a small brick house near Dupont Circle, in Washington, D.C. The workspace is crammed into three small rooms. There are maps on the walls, reports piled on shelves, and a computer workstation to edit undercover video footage. Eight E.I.A. campaigners, and sometimes a dog, spend most of their daytime hours there, and some late nights, too. Their annual budget is nine hundred thousand dollars, an improvement from the organization's earliest form of financing: credit cards. The most popular word in the office is probably "leverage," because E.I.A. tends to use its undercover information to pressure governments and companies to change their behavior.

Von Bismarck had not been to northern China before, nor was he very familiar with Russian timber, but he knew that he wanted to frame his investigation around an American retailer that was enmeshed in the trade, and that he could leverage. He chose Wal-Mart. A tenth of China's exports to the United States are sold by Wal-Mart; if the company were a sovereign nation, it would be China's eighth-largest trading partner. "We knew that American demand for wood was causing forest destruction," he told me. "If we could get the biggest company in the country to take note, then we thought we could make a difference." He intended to chart the wood's journey from the Russian forest to suburban store shelves through the complicated network of Wal-Mart's Chinese suppliers—whose identities the company takes care to obscure. When he was done, he planned to show the company what he had discovered or release his findings to the media.

The first step was a physical audit of every wood product that Wal-Mart sold, to try to determine its precise origin. This was done in two stores by a twenty-eight-year-old E.I.A. campaigner named David Groves. "I probably put in four eight-hour days in each store," Groves told me. "I would get there around ten in the morning and not leave until six. I ate what was in a Wal-Mart. I sustained myself on a laughable amount of cheeseburgers." Evidently, one can walk into a Wal-Mart, systematically turn boxes on end, and take notes without interference from employees. "I actually got a lot more customers asking me stuff than Wal-Mart staff," Groves told me. The size of the task became apparent early on. Groves began by including paper in his inventory, but soon became overwhelmed. "I was like, 'That is completely undoable,' " he said. He confined his audit to wood, and ultimately collected data on more than nine hundred products, which von Bismarck used as a blueprint for his trip. Groves also studied two cities in China's far north that serve as the main gateways for the trade in wood: Manzhouli, near Siberia; and Suifenhe.

corporate slogyard

In the nineteen-eighties, Suifenhe became a test city for what Party officials called "socialism with Chinese characteristics"—the gradual and controlled opening of Chinese markets. Russians would come to the city with furs or old military-issue goods and exchange them for Chinese-made products. The practice became known as *dao bao*, or "changing bags." Largely because of its proximity to Russia and its distance from the central government, Suifenhe developed an energetic and violent shadow economy. Some Chinese "entrepreneurs" smuggled opium and ephedrine, which was widely available in China but forbidden in Russia. Local mobsters flourished, and reached out to their Russian counterparts. At times, they clashed. Marc Mooney, an American timber trader who recently tried to conduct business in Suifenhe, told me, "I've heard stories of Chinese men going on the other side of the border and just disappearing." Occasionally, they were discovered: an entrepreneur who had travelled to Russia to buy trucks ended up floating off the coast of Vladivostok with bullet wounds in his head; two others were found fatally shot in a car that had been parked in a Russian forest.

The timber industry in Suifenhe is largely centered on "primary processing," the most rudimentary type of production—cutting logs into sawn wood, for instance, which is then shipped to other cities in China for more refined manufacturing. Von Bismarck wanted to start at the base of the Wal-Mart chain—the suppliers to the suppliers—and the most logical target was the Shanglian Group. It belongs to Sun Laijun, who grew up in Harbin, the provincial capital, but began going to Suifenhe in 1991, in search of opportunity. "The first thing I did when I arrived in Suifenhe was to look for a Russian translator," he recalled in an interview with CCTV. One of his first big barter deals involved swapping twenty railway cars of urea, a chemical used in fertilizers, for apples. In 1998, when China's logging ban was enacted, he formed Suifenhe Longjiang Shanglian Import and Export Company, and became heavily involved in the timber trade. Longjiang Shanglian now imports one out of every ten logs that enter China from Russia.

The company has been the focus of a number of environmental investigations, and has grown suspicious of strangers. When von Bismarck and Wu, in their guise as representatives of Axion Trading, tried to arrange a meeting with Sun, a receptionist told them that he was in Russia and directed their inquiries to another executive, who asked right away if they belonged to an environmental group. "What groups?" Wu asked, and the executive said, "If you don't know what that is, then you're O.K." A meeting was set up with Longjiang Shanglian's manager, Sun Laijun's brother Laiyong, the following afternoon. "To a certain extent, you have to consider security," Wu later told me. "They own half of Suifenhe, probably, and, from what we know about the timber traders all around the world—some of them can be real nasty."

"Let's go," von Bismarck told Wu, and they headed into Longjiang Shanglian's headquarters, a gray building that towers over the city's factories. Both men were wired with hidden video and audio equipment. After presenting themselves to a security guard, they went to the third-floor office of Sun Laiyong, who was surrounded by a coterie of senior managers. "The whole rail yard, stretching all the way to the mountainside, belongs to our family," Sun Laiyong said. The men talked about the company's operations in Russia, where it bought nearly all its wood. About forty minutes into the meeting, Wu attempted to steer the discussion toward illegality. He asked about problems that the company faced, and Sun Laiyong said, "There are transportation costs, customs fees, mafia protection money—"

"Mafia protection money?" Wu asked.

"Mafia protection money, and other miscellaneous costs. Russia is very—"

One of the managers interrupted. "Even the police is like the mafia," he said.

Sun Laiyong continued, "Doing business in timber, you'll have to pay protection money to them."

"So when you go to Russia—"

"*We* don't want to go there!" Sun Laiyong said. "We send others there instead." He claimed that Chinese businesses were able to muscle out Japanese companies, which for decades have had a presence in the Russian Far East, because the business climate was "dark," and often required payments made by the suitcase. "Small Japanese companies can't buy any timber in Russia," Sun Laiyong said. "They buy it here." He gestured to von Bismarck, and said, "He will not be able to buy any timber in Russia. We bring cash there and pay up front. Cash trade. Anything happens."

"Millions of dollars in cash?" Wu asked.

"Yes."

Wu asked what kinds of mafia groups Longjiang Shanglian dealt with. "All kinds," Sun Laiyong said. He described a contract murder he had heard about that took place in 2001, during a struggle to control Nakhodka, one of Russia's largest ports, on the Pacific. "The manager didn't want to sell it, and a few days later he was killed," he said. Sun Laiyong mentioned the mayor of Vladivostok, a crime boss known as Winnie the Pooh, who was convicted on corruption charges. "Vladivostok's mayor was caught," Sun Laiyong said. "But he was the head of the mafia."

After the meeting, von Bismarck and Wu got into a car and reviewed the encounter. They had obtained evidence that Longjiang Shanglian's operations were enmeshed with corruption in Russia, and that Sun Laiyong regarded bribery as a mundane expense, but they had failed to learn how it affected the company's supply. "When it came to the actual logging, he said, 'Oh, yes, we have all the proper documents. Otherwise, how can you log?' " Wu said. "So, as soon as he said that, he kind of shut the door on me."

Wu leaned back. "Ach, I'm disappointed," he said.

"Yeah?" von Bismarck said.

"I should think that I did really poorly."

"Don't say that," von Bismarck told him, and the two men sat in silence as the car rumbled across the uneven pavement, toward their hotel.

Sun Laiyong's references to organized crime pointed to one of the most disturbing aspects of the illegal timber trade: the violence that supports it. Last December, the body of a Russian banker with close ties to the timber industry was found at the bottom of his swimming pool, near Moscow. A bag had been pulled over his head, and his arms had been tied to his ankles. In a sloppy attempt at a coverup, a suicide note had been left at the scene, prompting a law-enforcement official to say, "He's not Harry Houdini." I heard of a similar "suicide" not far from Vladivostok earlier this year: an activist working with the World Wildlife Fund was found at a remote hunting cabin, fatally shot, an unconvincing note by his side. This type of violence can be found elsewhere. Earlier this year, in Peru, a community leader who tried to report a shipment of stolen timber was shot to death in a government office. Three years ago, in Brazil, a missionary and community organizer from Ohio, Sister Dorothy Stang, was murdered in the state of Pará, where a third of the Brazilian Amazon's deforestation is occurring and where she had made enemies of loggers.

In 2001, experts with the United Nations in the Democratic Republic of Congo coined a phrase, "conflict timber," to describe how logging had become interwoven with the fighting there. The term is apt for a number of other places. In Burma, stolen timber helps support the junta and the rebels. In Cambodia, it helped fund the Khmer Rouge, one of the most brutal rebel factions in history. Charles Taylor, the former President of Liberia, distributed logging concessions to warlords and a member of the Ukrainian mafia, and the Oriental Timber Company—known in Liberia as Only Taylor Chops—conducted arms deals on his behalf. The violence tied to Taylor's logging operations reached unprecedented levels, and in 2003 the U.N. Security Council imposed sanctions on all Liberian timber. (China, the largest importer of Liberian timber, tried to block the sanctions.) Shortly afterward, Taylor's regime collapsed. An American official told me that the U.S. intelligence community "absolutely put the fall of Taylor on the timber sanctions."

When von Bismarck discusses this type of violence, there is emotion in his voice. He once told me that he looked up to his grandfather Klaus, who had written in his memoirs of defying an order to execute captured Soviets during the war: it "contravened everything I had been taught and was incompatible with my conscience." When Hitler's regime collapsed, Klaus joined Allied programs designed to erase the Nazi legacy. Martín Escobari, von Bismarck's Harvard roommate, told me, "This is something that clearly had an impact on Sascha. He is very proud of his grandfather, who had been part of the reconstruction of Germany, making up for very evil stuff. Sascha's family comes from a long history of military service. I think he has also tried to make up for previous wrongs."

Not long ago, von Bismarck testified in Congress about timber smuggling and about activists who had been attacked in countries where he had gone undercover. "We're not talking about fuzzy technicalities," he told me. "We're talking about people getting killed, and poor people's livelihood stolen." Some of the people had worked with E.I.A., such as a reporter in Indonesia who had been attacked by thugs carrying machetes. At the hearing, he said, "We are the unwitting financiers of this crime."

Von Bismarck often argues that illegal logging is as much a problem of global demand as it is of supply—which isn't necessarily obvious. Today, the worldwide sales of forest products are worth about a trillion dollars annually, but more wood is used locally, for fuel, than is traded for industrial purposes; in Africa, nearly ninety per cent of all wood harvested is for energy. Moreover, many developed countries import raw timber from places that do not have substantial illegal-logging problems. But wood can be chopped, sliced, and pulverized in countless ways, by any number of middlemen, and large quantities of stolen timber end up in the West as finished products. The United States is the world's largest consumer of finished wood items. In a year, every American uses the equivalent of seventy-two cubic feet of wood. Despite advances in recycling and technology, the per-capita consumption of wood in the United States has risen since the mid-nineteen-sixties.

It is rising elsewhere, too. Wood consumption in China is about fifteen times lower than it is in the United States. For centuries, the Chinese have made paper from bamboo, rice straw, and other non-wood fibres, but the central government recently decided to push the country's papermaking industry away from those raw materials, because the quality was poor, and the process polluted too much water. The authorities closed down thousands of factories, and, between 1980 and 2002, the proportion of non-wood fibre used in Chinese papermaking fell by half. Meanwhile, the over-all amount of paper consumed increased. If it ever grows to the level of American consumption, then China alone would end up using double the planet's current paper production—if that level of demand could ever be met. In India, too, the use of paper is expected to double by 2015. Improving standards of living, combined with population growth, have created a twofold pressure on forests: more people are demanding wood, and people are demanding more of it.

No one has attempted to calculate what it would cost to restrict all wood products to sustainable forests and plantations. Murray Gell-Mann, the Nobel Prize-winning physicist, once defined sustainability as "living on nature's income rather than its capital." As a planet, then, if we are consuming the world's forest capital—and deforestation suggests that we are—everything we use that is derived from wood is undervalued. Von Bismarck told me that an economy that structurally undervalues wood is bound to accept illegal timber without much resistance, because the excess black-market supply only reinforces the misconception that wood is cheap and the supply nearly inexhaustible. (According to one estimate, there is enough illicit timber traded worldwide to depress global prices for wood by as much as sixteen per cent.) The notion is reinforced by the murkiness of the timber economy. Very few companies take the trouble to discover where the wood in their products originates. To do so would be expensive, and consumers don't demand it of them. Indifference has become the norm.

From the docks and tall buildings of Dandong, one can see, across the Yalu River, a North Korean metropolis called Sinuiju, enveloped by smog. On the Chinese side of the border, Dandong is surrounded by hills covered in chestnut trees. The city is home to a firm called Dandong Maisafu, China's largest exporter of toilet seats. The company sends its entire stock to Wal-Mart. Many of its toilet seats are made from oak, and von Bismarck was trying to find out where the wood came from.

Dandong. Barbed wire fence separates China from North Korea (left)

An unexpected discovery by David Groves brought von Bismarck and Wu to Dandong. Groves had been combing through an enormous customs database called PIERS, which, every day, gathers more than twenty-five thousand bills of lading from around the world. Looking into PIERS is a bit like looking into the Matrix: there are thousands upon thousands of rows of numbers—tracking codes, shipping codes, container I.D.s. Wal-Mart generally chooses to remove its shipments from the publicly available version of PIERS, but, by chance, the company left on the record forty thousand entries on wood imports from China—including Russian oak toilet seats from a company called Dandong Anmin. When von Bismarck and Wu visited Anmin, they were told that it was no longer dealing with Wal-Mart. (Later, they learned that Anmin was selling some of its products, through a middleman, on Amazon.com.) A senior manager at Anmin referred them to Dandong Maisafu, which was run by one of the owner's relatives.

As the investigation progressed, von Bismarck found that this type of reshuffle was common. "We had been given the gift of this data," he told me, referring to the PIERS information. "But then we found there was an added challenge: the turnover in Wal-Mart suppliers. It was the 'Wal-Mart phenomenon' that we were bumping into, the phenomenon of leveraging suppliers by dumping them at a high frequency." He and Wu would encounter factory owners who had just shipped Wal-Mart goods made with Russian wood but could or would no longer settle for

Wal-Mart's price. "That made our investigation difficult, but it also made it difficult for Wal-Mart to get reliable wood," he said. "It created incentives for suppliers to get bad wood."

Von Bismarck and Wu called the offices of Dandong Maisafu, again posing as commodities traders, and met with Chunshou Zhuo, a garrulous, potbellied man in his late fifties, who wore a plaid shirt, jeans, and a trucker's cap. Zhuo said that he owned Maisafu with his daughter, and that they entered the toilet-seat business about eight years ago. His company made two million dollars a month, and exported furniture made from oak and other species to Wal-Mart. When Wu asked where the oak came from, Zhuo said that it was Chinese—"from here, in the mountains"—but Wu learned from a Maisafu floor manager that some of the toilet seats were made from Russian timber. Zhuo's daughter later confirmed that the company used Russian hardwood for about a fifth of its products.

That afternoon, von Bismarck and Wu visited Dalian Huafeng, one of the largest furniture manufacturers in China. From the PIERS data, von Bismarck learned that Huafeng manufactured cribs for an American company called Simplicity for Children, which was, in turn, a Wal-Mart supplier. Huafeng, it turned out, was buying wood from Longjiang Shanglian—the importer in Suifenhe that paid protection money in Russia. Slowly, the pieces of Wal-Mart's wood-supply chain began to come together.

Von Bismarck asked a Huafeng manager, "Big clients like Wal-Mart, they don't ask where the wood is from?"

"No, no, never," she said. "Never."

While there are international treaties designed to protect the oceans and the planet's biodiversity, and to address climate change and the ozone layer, there are no corresponding agreements on how best to manage the planet's trees. This has not been for lack of trying. In 1992, at the Rio Earth Summit, such a convention was proposed and debated, but the talks faltered on the question of who should bear the cost of keeping the planet's forests intact—the countries that consume so much of the world's wood or those who own it? No one could agree. It did not help that more than eighty per cent of the world's forests are under state control, and that governments tend to regard them as sovereign resources.

The only treaty that governs the global trade in forest products is the Convention on International Trade in Endangered Species—what one American official described to me as a kind of "emergency room" for rare plant and animal species at the threshold of extinction. When von Bismarck was investigating ramin, which is protected by the convention, law-enforcement agents could, in theory, confiscate shipments of goods made from the wood if they did not have the proper permits. (No commercially traded Russian timber has this level of protection.) In practice, the system does not always work very well. Von Bismarck once tipped off the authorities about undocumented ramin headed to a crib company called Baby Trilogy, in Lubbock, Texas. The owners, friends of the Bush family, enlisted the office of Senator John Cornyn, of Texas, to help get the shipment released, and it was. (They say that they did not understand the law, and that this was their last shipment of ramin.) Several years ago, a study found that large volumes of mahogany—the only other commercially significant tree protected by the convention—were entering the United States without permits.

During the past several years, von Bismarck and his colleagues have been campaigning for a new way to control timber imports: an amendment to a curious law called the Lacey Act, which, for more than a century, has been a cornerstone of nature protection in America. John F. Lacey, a Civil War veteran and congressman, introduced the legislation in 1900, banning the interstate trade of illegally hunted game. Over time, the Lacey Act was expanded to cover the international trade of wildlife.

John Lacey was a passionate advocate for forests, but, for reasons that are unclear, the law that bears his name fell short of protecting plants the way it did animals. Von Bismarck told me that in 2005 he began "bouncing from Hill office to Hill office, looking for a champion to move forward an amendment" that would expand the act. A congressional aide told him that he would have to get the support of timber-industry associations, but to do that he had to overcome decades of antagonism. "To say there was animosity is an understatement," the aide told me. A member of the Hardwood Federation, which is made up mostly of family-owned businesses, said, "The industry is, really, full of very conservative, rural, property-rights-oriented Republicans, who have been deeply suspicious that the environmentalist community's only interest was to put them out of business." Illegal logging is not only a foreign phenomenon: in the nineteen-nineties, it was estimated that a hundred million dollars' worth of trees were stolen from public lands every year. Von Bismarck was asking the timber industry to lobby for tougher regulation of its own business.

As it happened, a number of American companies believed that they were being hurt by illegal wood—"especially coming out of China, the numbers made no sense to us," said Harry Demorest, who was then a board member of the Hardwood Federation and the C.E.O. of Columbia Forest Products. "We knew what the market price was for logs, and the products were being sold at less than cost." Another industry group, the American Forest and Paper Association, estimated that the trade in stolen wood was costing the domestic forest-products industry a billion dollars annually. Both groups—along with some large retailers—eventually agreed to support the amendment. (The Bush Administration declined to do so.) It was sponsored in the Senate and in the House by two Democratic legislators from Oregon, Senator Ron Wyden and Representative Earl Blumenauer, but much of the bill's fine-tuning occurred in conferences off the Hill.

Following months of negotiation, an amendment took shape: it would prohibit taking any plant or plant product out of any country in violation of its natural-resource laws. There would be no "innocent owner" defense, which meant that importers who claimed not to know they had bought illegal wood, or items made from it, would still be subject to penalties. This provision generated strong opposition from some industry groups, but it was central to the bill's design. "The idea is that you want to stop illegal plants from being in the market, the same way you don't want illegal art in the market—it can be seized wherever it is found," von Bismarck told me. But the bill's greatest strength was also its greatest weakness: while it used the American legal system to reinforce the laws of other countries, forestry codes in some countries are so vague and contradictory that they are hard to follow, even for loggers with good intentions, and even more difficult for American judges to interpret. When I asked von Bismarck about this, he told me, "We want to get to a point where the rules matter, then we want to fight to have them be the right rules."

Just before the amendment was up for a vote in the House, lobbyists from Monsanto and a trade group called the Biotechnology Industry Organization, or BIO, suddenly expressed their unease about it. "It was late in the game," von Bismarck told me. "Everybody was saying, 'Oh, my God, they're going to kill this thing.' " It turned out that BIO and Monsanto had only one major request: to be exempted from the law. At a meeting convened in the Capitol to discuss their concerns, Jen Daulby, Monsanto's representative, argued that the amendment would prevent companies from using genetic samples it acquired overseas. She said that foreign laws could be unreasonable. A timber lobbyist who was there recalled, "It looked pretty bad. We all thought the same thing: Did they just say that they wanted to take plants out regardless of whether the particular country wants them to?"

Daulby told me she was concerned that Monsanto "would be violating the Lacey Act" if the amendment covered all plants and plant products, and that the bill would "prohibit the research materials that were coming back." She said these things on a conference call with two other Monsanto officials listening in, and only a bit later, after a reminder from the company's press officer, did she add, "As Brad mentioned, we are following other countries' laws, but having a bill in the United States that endorses those is a totally different thing."

Ultimately, the biotech industry obtained its exemption. Von Bismarck told me, "They are arguably stealing the intellectual property of poor countries, and there exists the whole debate about that, which is an interesting debate, because they will try to claim the high ground and say, 'We all happily benefit from some of those medicines.' " But the bill's supporters did not want to risk getting the amendment killed over an exemption that, as Monsanto pointed out, was unrelated to the timber trade. Still, von Bismarck said, when the biotech lobbyists joined in, "it was a big, eyeopening moment in terms of how government works."

Von Bismarck decided to publish the results of the Wal-Mart investigation in December, in a report that drew upon eight undercover meetings in China and upon Groves's research. It stated that two hundred thousand cribs made from high-risk Russian poplar and birch were being sold to Wal-Mart by Simplicity for Children, and noted that "at least thirty-one thousand trees reach Wal-Mart each year in the form of solid wood toilet seats made in Dandong." Von Bismarck compared Wal-Mart's fastidiousness about pricing with "the company's inattention to the legality of its raw materials," and noted that "Wal-Mart's customers currently risk financing criminal timber syndicates."

Simplicity for Children denied using illegal Russian wood. Wal-Mart's response was surprisingly less confrontational. The company told von

Bismarck that it had already been examining its supply chain, and had just created a new position—senior manager for strategic sourcing—to oversee its forest products. During a conference call with several E.I.A. campaigners, Tom Flynn, who had been assigned to the position, said that his job had been created in part because of the report.

Flynn is a soft-spoken man with a disarming nature. "I've been with Wal-Mart for just about four years," he told me. "My background—and you'll find this a little peculiar—is in the apparel industry, denim sourcing. When I was first approached about this job, I said, 'You know, I don't have a Ph.D. in forestry,' and they told me, 'Well, that's not what we are looking for.' " He added, "Fifteen or twenty years ago, people were never checking their factories in the apparel world. You go back to the days of articles about children being chained to machines, and the industry basically said, 'This is not acceptable.' " Flynn said that he had begun pretty much the way David Groves had, by grabbing a legal pad and walking through a nearby Wal-Mart. "I got to the fourth page, and I gave up," he said. Instead, he worked with what he called a "risk assessment" team to build a database of every wood-based product in Wal-Mart's inventory, and identify the ones he should worry about. Flynn was explaining this by speakerphone, with a Wal-Mart press officer listening in; she, too, conceded that the company had "a learning curve in all of this."

In July, Wal-Mart signed an agreement with the World Wildlife Fund to eliminate illegal wood from its furniture within six years, and to work together on Flynn's risk assessment. "It is a very important signal, but it will only be as important as its follow-through," von Bismarck said. The company had good reason to act quickly. Its announcement followed the passage into law of the Lacey Act amendment, and similar legislation had already been introduced in the British Parliament and was being considered by the European Union. Wal-Mart began advising its suppliers to meet with attorneys about the new law.

Earlier this year, von Bismarck travelled to the Russian Far East to document the timber theft at its source. He flew to Vladivostok and met with Denis Smirnov, the forestry director of the World Wildlife Fund's branch office in the Russian Far East. Smirnov is thirty-eight, and has been living in Vladivostok since 2002, but he was born in Leningrad, and at times demonstrates the haughtiness of an urbanite in one of Russia's most remote provinces. ("In my nightmares, I did not imagine that I would spend my life on illegal logging," he said.) The two men planned to drive through the winter night, to see if they could catch gangs of illegal loggers deep in the taiga the following morning. In daylight, they feared, scouts might see them.

By seven in the evening, the sky had turned dark, and von Bismarck and Smirnov were heading north on the M-60, a two-lane highway running along the Ussuri River, which divides the Russian frontier from northern China. For long stretches, the road was paved, but in places it was completely caked over with snow. Elsewhere, the pavement had crumbled away entirely, leaving behind raw, frozen earth. A few Chinese-made tractor-trailers heading north left clouds of white powdery snow in their wake.

Smirnov drove. He had picked up a special officer from a regional police unit devoted to fighting "economic crimes." The officer, a taciturn man in his early twenties, who wanted to be known only as Vladimir, sat in the passenger seat. He was dressed in camouflage, but over his uniform he wore a puffy black jacket. "He is not yet corrupt," Smirnov said. "It's not ordinary for a policeman." Small, impoverished villages drifted by in the darkness. In the taiga many homes used wood stoves for heating and for cooking. Smirnov drove past timber depots with enormous stockpiles of logs headed for China, but soon they, too, disappeared.

Not far from a logging town called Dalnerechensk—an area where Longjiang Shanglian acquires some of its timber—Smirnov described how loggers had once sabotaged his car. "For me, it is painful to see this wilderness disappear—and it is useless, actually, because nobody is profiting from the disappearance," he said. "It could be justified if our country, our people, would get some real profit from this harvesting. I think the head of these gangs, they are only thinking about their pockets. They are not thinking about the future, and the people who are living here. These guys can move to—I don't know where, Hawaii or the Bahamas. But other people have no such opportunities."

Sometime after midnight, he drove into a labyrinth of narrow forest trails. Wherever a trail forked, loggers had hung bottles or boxes on branches as markers. Roughly half of the trails crossed frozen bogs, impassable in spring and summer. The car finally stopped in a clearing, and Smirnov, von Bismarck, and Vladimir spent the rest of the night there. For a time, they kept the engine running, but eventually turned it off. Frost formed on the insides of the windows. In the morning, Smirnov drove down snow-covered trails, and soon found one with fresh treads. It led to a pile of cut linden in the snow, and von Bismarck filmed the scene. There were shavings near the logs. He listened for the sound of chain saws, but the forest was quiet.

The search continued fruitlessly until midafternoon, when someone saw a flash of color behind a row of trees. In the distance, several men were standing near a pile of logs that was worth several thousand dollars. Vladimir and von Bismarck made their way through the woods to them. It is difficult to describe the sense of uncertainty that precedes a confrontation among strangers who are so far removed from civilization. At the turn of the last century, an imperial Russian geographer wrote, "In the Ussurian taiga, one must expect at times to meet with a wild beast, but the most dangerous meeting of all is with a man." As Vladimir drew near, he removed a handgun from a holster and transferred it to his jacket pocket. Von Bismarck saw this. "I was still worried about them being armed," he told me later. "I did have some kind of sense that Vladimir knew what he was doing, but he was very young."

Vladimir approached the men, but, as they spoke, another logger about fifty feet away powered up a chain saw and cut into a tree. It must have been the final cut, because the tree came crashing into a blanket of snow. "So a tree fell down, and, for me, when you hear a tree falling it is like the Holy Grail," von Bismarck said. "Because when we are trying to catch these guys, I mean, just the visual of an illegal logger in action, actually cutting down a tree—we have really only gotten it once, in Indonesia, and we have used that image a lot." The logger was dressed in an outfit made from thick pieces of beige felt or wool. With one foot, he stabilized the felled tree, and with a bright-orange chain saw he began to sever it into logs. Vladimir approached him. "The logger looked up and his face went numb, and then you could see him making a kind of fight-or-flight decision," von Bismarck recalled. For an instant, nothing happened, and then the logger began to run. Vladimir yelled, in Russian, "Where are you going?"

The man kept running, and Vladimir raised his gun over his head and fired a shot, but the man did not slow down. Vladimir was now running, too, through the snow, which was knee deep in places, and von Bismarck, with his camera, was not far behind, attempting to photograph the arrest. The chase seemed to move in slow motion. In winter, when the vegetation is brittle and devoid of leaves, there are not many places to hide in a forest. Still, the logger, middle-aged and visibly out of shape, ran with startling alacrity. In one hand, he was carrying his chain saw. Twigs snapped against his body. "Where are you going?" Vladimir yelled again as he drew nearer, and for a moment the uncertainty of real violence hung in the air. Von Bismarck plunged into the snow after the men; the cold air pinched his lungs as he ran—he later said that he felt as if his chest had been submerged in ice water. "I was eager to stay right with Vladimir, right over his shoulder, to get the shot," he said. The logger continued running, so Vladimir fired his gun into the air again, and an instant later he grabbed the logger by the arm, and the chase came to an abrupt end. ♦

Video: How an illegally logged tree becomes a toilet seat at Wal-Mart
Audio: The global problem of illegal logging

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