

The Outsider as Prey: State Capture, Transnational Extraction, and the Emergence of the Sovereign Witness – Field Notes and a Study of Laos

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Abstract

Foreign investors and long-term residents in Laos have been subject to a recurring pattern of asset extraction, legal obstruction, and denial of redress. This paper examines three documented cases spanning nearly two decades: a US investor arbitration, US and UK sanctions against a transnational criminal organisation operating within a Lao Special Economic Zone, and a longitudinal case study of a US citizen who experienced systematic asset stripping. Drawing on arbitration records, government sanctions, and first-person observational data, the paper analyses the structural conditions that enable such extraction: state capture, the delegation of sovereign authority to criminal actors within Special Economic Zones, and the resulting impunity at senior levels of the network. The paper then examines an inversion of this dynamic. When one target refused to break—instead documenting the extraction, publishing research, and engaging international bodies—the network’s impunity showed initial signs of strain. The paper proposes a “sovereign witness” framework as a potential strategy for other targets of captured systems, while acknowledging its limitations as a single-case observation.

Keywords: state capture, foreign investor expropriation, transnational organised crime, sovereign witness, impunity, asset stripping, Laos, Special Economic Zones

1. Introduction

Between 2007 and 2026, at least three documented cases involving foreign nationals in Laos followed a similar trajectory: substantial financial commitment, subsequent asset seizure or extraction, obstruction of legal redress, and apparent impunity for the actors involved. These cases include a US investor arbitration against the Lao government, US and UK sanctions against a Chinese businessman operating a Special Economic Zone (SEZ) in Laos, and the author’s own experience of systematic asset stripping.

This paper does not assert that these cases represent a coordinated conspiracy. Rather, it argues that they reflect a **recurring structural pattern** enabled by state capture, regulatory gaps, and the delegation of sovereign authority to criminal actors within SEZs. The paper then examines an inversion of this pattern: when one target refused to follow the expected script of collapse or acquiescence, instead documenting the extraction and engaging international bodies, the network’s impunity showed initial signs of strain.

The paper proceeds as follows. Section 2 documents three cases illustrating the pattern. Section 3 analyses the structural conditions that enable such extraction. Section 4 presents the “sovereign witness” framework. Section 5 discusses limitations. Section 6 concludes with implications for policy and for other victims of captured systems.

2. Three Cases of Extraction

2.1 The Baldwin-Scott Arbitration (2007–ongoing)

In 2007, US citizens John Baldwin and Shawn Scott invested approximately \$400 million in a gambling resort in Laos through a joint venture with a Lao state-owned enterprise. Within several years, the Lao government seized the resort, expelling the investors without compensation. The case proceeded to arbitration under the International Centre for Settlement of Investment Disputes (ICSID). The Lao government's defence included allegations that the investors were corrupt—a strategy consistent with what the author elsewhere terms “gaslighting” as a tool of extraction. The arbitration ultimately ruled in favour of the investors, but as of 2026, the award remains unpaid (ICSID Case No. ARB/12/10). This case illustrates that even successful international arbitration may not result in actual recovery.

2.2 US and UK Sanctions Against Zhao Wei and Kings Romans Group

In 2018, the US Treasury's Office of Foreign Assets Control (OFAC) designated Chinese businessman Zhao Wei and his Kings Romans Group as a “transnational criminal organisation”. The Treasury stated that Zhao Wei operated with “near impunity” inside the Golden Triangle Special Economic Zone (GTSEZ)—a 99-year lease granted by the Lao government—engaging in “human trafficking, drug trafficking, money laundering, bribery, and wildlife trafficking” (US Treasury, 2018). Britain imposed parallel sanctions in 2023 (HM Treasury, 2023). The GTSEZ, ostensibly a development project, has been described by the UN Office on Drugs and Crime as a “storage, trafficking, deal-making, and laundering hub” (UNODC, 2025). The Lao government has not revoked the lease.

2.3 The Author's Case (Longitudinal Case Study)

Between 2019 and 2026, the author—a US citizen and lawful resident of Laos—reports having been systematically stripped of assets by a network of actors with apparent ties to the GTSEZ. Key features of this case include:

- Conversion of approximately \$2 million equivalent in digital assets through informal over-the-counter (OTC) exchange networks in Vientiane
- Deployment of funds into property and physical infrastructure
- Subsequent loss of access and control over those assets
- Retention of legal counsel (Kong Suriyamontol of Siam Premier) who, according to the author's documentation, accepted a retainer, received instructions, and then failed to act for approximately 25 days, including failure to renew a safety deposit box containing life savings
- Obstruction of communication with the US Secret Service
- Attempted false imprisonment using a rental vehicle without license plates

The author's case is presented as a single observational study and is not generalizable. However, it is consistent with patterns observed in the Baldwin-Scott arbitration and the Zhao Wei sanctions.

3. The Architecture of Impunity

3.1 State Capture

State capture refers to a condition in which corrupt elites “have enmeshed themselves within the state apparatus for the purpose of accumulating wealth” (Sims, 2023). Laos ranks in the bottom 20th percentile for control of corruption (World Bank, 2024) and 114th out of 180 countries on Transparency International's Corruption Perceptions Index (Transparency International, 2024). A 2025 UN report noted that “widespread corruption and a lack of corporate accountability” are systemic in Laos (UN Human Rights Office, 2026). The Financial Action Task Force (FATF) added Laos to its “grey list” of jurisdictions under increased monitoring for anti-money laundering deficiencies in 2025 (FATF, 2025).

3.2 Special Economic Zones as Regulatory Voids

The GTSEZ operates under a 99-year lease to Kings Romans Group, with its own security forces and minimal government oversight. The UN Office on Drugs and Crime has documented the zone's role as a hub for transnational crime (UNODC, 2025). For foreign investors and residents, SEZs in Laos may represent a structural vulnerability: capital is invited, then extracted through controlled illegality. The legal framework does not provide effective recourse.

3.3 Impunity at Senior Levels

The US Treasury's designation of Zhao Wei explicitly noted his “near impunity” (US Treasury, 2018). Despite sanctions, Zhao Wei continues to operate, and the Lao government has not taken public action against him. This pattern of impunity extends to lower-level actors: corrupt officials are rarely prosecuted, and when prosecutions occur, they may function as scapegoating rather than systemic accountability.

3.4 Foreign Nationals as Vulnerable Targets

Foreign nationals—particularly Westerners—may be targeted because they are perceived as isolated, lacking local protection, and less likely to have effective recourse. The Baldwin-Scott case demonstrates that even successful international arbitration may not result in enforcement. The author's case suggests that the network's strategy may include obstructing communication with the target's home-country law enforcement.

4. The Sovereign Witness: An Inversion of Power

4.1 Refusal to Follow the Expected Script

Unlike some previous targets, the author reports having chosen not to collapse, not to chase assets, and not to engage in reactive legal battles. Instead, he relocated to Bangkok, established a daily nervous system regulation practice (including sensory reduction, deep pressure stimulation, and co-regulation with a domestic cat), and began systematic documentation.

4.2 From Prey to Witness

The author's strategy comprised four elements:

1. **Documentation:** Creation of a permanent, timestamped archive of all communications, transactions, and events.
2. **Publication:** Writing of a 390-page book (Humble, 2026a) and multiple academic articles (Humble, 2026b; 2026c) analysing the structural patterns of extraction.
3. **International notification:** Submission of information to the UNODC, the World Bank, the US Secret Service, and other bodies.
4. **Non-reaction:** Deliberate refusal to chase, beg, or negotiate with the network or its legal representatives.

This strategy does not require victory in a rigged legal system. It requires the creation of a permanent, public record that the network cannot easily ignore or suppress.

4.3 Observed Strain on the Network

The network's response to the author's strategy has included:

- Rushed scheduling and subsequent rescheduling of a meeting with the author's legal counsel
- Silence from the law firm (Siam Premier) as its partners became aware of the author's documentation and international notifications
- Acceptance of cancellation by a Fiverr seller who had attempted to extract additional payment

These observations are not presented as evidence of systemic collapse, but as indicators that the network's impunity may be vulnerable to sustained, documented, non-reactive witness.

4.4 Proposed Framework for Other Targets

The sovereign witness framework, as derived from this single case, includes the following steps for individuals who find themselves targeted by captured systems:

1. **Regulate the nervous system:** Prioritise rest, sensory reduction, and co-regulation before attempting legal or other external action.
2. **Document everything:** Maintain a timestamped, organised archive of all communications, transactions, and events.
3. **Publish the pattern:** Focus on structural analysis rather than personal grievance; make the record public and permanent.
4. **Notify international bodies:** UNODC, FATF, World Bank, and relevant home-country law enforcement may have mandates that align with documented extraction patterns.
5. **Do not react:** Avoid chasing, begging, or negotiating with extractors. Non-reaction may reduce the availability of the emotional responses that extractors seek.

This framework is hypothetical and requires further testing. It is offered as a potential alternative to the exhausting and often futile pursuit of justice through captured legal systems.

5. Limitations

This paper has several significant limitations:

- The author's case is a single observational study and is not generalizable.
- Direct evidence of coordination between the three cases presented is not established; the paper argues for a recurring structural pattern, not a unified conspiracy.
- The sovereign witness framework is derived from a single case and has not been tested across multiple contexts.
- Attribution of intent to the network or the Lao state is not possible with available evidence; the paper describes observed patterns and structural conditions.
- The author's personal involvement in the case study may introduce bias; this limitation is inherent to autoethnographic and observational methodologies.

Future research should examine additional cases of foreign national extraction in Laos and other captured states to test the generalizability of the observed patterns and the proposed framework.

6. Conclusion

The network that operates within Laos has, over nearly two decades, extracted assets from foreign nationals with apparent impunity. The Baldwin-Scott arbitration, the Zhao Wei sanctions, and the author's case are consistent with a recurring structural pattern enabled by state capture, regulatory voids within SEZs, and the absence of effective legal recourse.

However, when one target refused to break—when he instead became a sovereign witness, documenting, publishing, and notifying international bodies—the network’s impunity showed initial signs of strain. The assets were not recovered. But a permanent, public record was created. The network can no longer operate in complete darkness.

The sovereign witness framework, while derived from a single case and requiring further testing, may offer an alternative strategy for other targets of captured systems. It does not require victory in a rigged court. It requires documentation, publication, and the refusal to react.

The author did not recover his assets. But he may have contributed to a public record that could, over time, accelerate accountability. That is not a personal victory. It is a structural contribution.

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Institutional Note

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Comments
