

Danger on our doorstep:

Organised crime takes hold in PNG

Mark Forbes

The shock of the Japanese advance in World War II graphically demonstrated the strategic significance to Australia of its nearest neighbour. Today a radical, \$A1.1 billion program to restore law and order in Papua New Guinea illustrates the ongoing interdependence of stability in both nations. The Enhanced Cooperation Program (ECP), placing Australian officials in key administrative positions, bolstering the judiciary and putting more than 200 Australian police on the beat, is probably Australia's most ambitious Pacific intervention. It is also a recognition of the importance of broader human security and stability concerns in the post-September 11 strategic environment.

Revitalising the Royal Papua New Guinea Constabulary (RPNGC) has been recognised as the first step in ensuring the struggling nation does not become a failed state, thereby exposing Australia to a litany of transnational threats. Official Australian assessments have recognised organised crime in PNG as the most immediate and serious of these threats, with newly established Asian crime gangs targeting key officials, especially in the demoralised and corrupt police hierarchy. Privately the Howard Government admits the scale of the ECP is motivated by the fact that Australia would inevitably be drawn into an overall social-political collapse across the Torres Strait. According to one senior adviser, 'if we don't act now, the place could degenerate over the next five years, and we wouldn't have the capacity to do anything about it'.

With a population of five million, crumbling infrastructure and inhospitable terrain, a full-scale crisis across PNG would severely test Australia's ability to respond. The ADF, for example, simply does not have the personnel to respond to a widespread crisis across PNG and this is the nightmare scenario for Australian contingency planners. Even the evacuation of Australian citizens and those from other countries in times of trouble—which would be our responsibility—would be very difficult if it had to be undertaken from a large number of localities or from a much smaller number of complex ones, such as Port Moresby, Lae and the Highlands towns.

Such matters have been discussed at length during various Australian parliamentary committee inquiries and academic conferences over the last 15 years. In late 1998, for example, the then Australian Defence Studies Centre

at ADFA in conjunction with the AFP, the PNG National Research Institute and ANU's State, Society and Governance in Melanesia project, convened a major conference on crime and the bilateral PNG-Australia relationship. For the last decade the Australia Defence Association, in which experienced 'old PNG hands' have long been influential, has regularly counselled that relying primarily on financial assistance to PNG was not tackling the steepening decline in governance standards and law order across the country, and was probably worsening it. Last year, an Australian Strategic Policy Institute (ASPI) report into PNG's stability warned a weakened PNG could allow drug, people and arms smuggling into Australia. 'There is evidence that the presence of transnational criminal groups in PNG is growing, taking advantage of PNG's weak immigration controls and poor policing. The bigger transnational crime becomes, the more government itself might be corrupted and undermined,' ASPI noted.

Recent inquiries over several weeks in Port Moresby indicate that this scenario has already arrived. There is clear evidence of links between 16 of PNG's most senior police and Asian criminals involved in people smuggling, money laundering, prostitution, illegal gambling, fraud and theft. Several of these police are paid by front companies controlled by major crime figures. A secret RPNGC investigation into, 'Corruption and Illegal Activities Within the Police Force', names senior officers, in the ranks of inspector to commissioner, allegedly involved with Asian crime figures. Australian authorities fear that PNG's police are so compromised that the country could be used as a staging post to traffic people into Australia.

Organised crime has deeply established itself in the past five years, taking advantage of corruption and lax law enforcement. Senior PNG police confirm such organisations have begun recruiting Port Moresby's notorious raskol gangs—heavily armed, disaffected young men—to commit armed robberies, thefts and assaults. From the ramshackle bars housing poker machine-like horse racing machines at ten cents a pop to Port Moresby's private casinos, gambling's pulse of cash is the lifeblood of organised crime syndicates. Nat Koleala, chairman of the PNG National Gaming Board, says he has a \$700,000 price on his head for demanding crackdowns on the Asian syndicates. The board has already seized hundreds of the

horse-racing machines, but more than 1000 are believed to be still in use.

Koleala calculates that the machines are earning the syndicates \$20 million a year. 'This is well-organised crime. Before this, crime in PNG did not have sponsors; now it has sponsors.' He says it is obvious police are compromised by the syndicates. 'It is a serious problem. We have the company records of three horse-racing machine operators; they are staffed by relatives and wives of senior policemen.' He has 'no doubt' that the ultimate destination of the crime bosses, and the thousands of illegal migrants they have smuggled in to PNG, is Australia. 'They are here for a rest and fattening period, they want PNG passports and want to pay their way into Australia. I know I may be killed, but I owe it to my country to speak out.' Koleala says he was interviewed by an Australian officer about the gangs in January, and said it was essential Australians helped pursue them. 'If they don't do it, then this whole law and order program is a waste of time.'

Barry Turner, commander of the Australian police in PNG, agrees 'there is a significant, growing problem with Asian organised crime entities in Port Moresby and PNG'. He says his officers are preparing to crack down on the gangs and, with PNG police, have begun raiding Moresby's more notorious nightspots to send a message to crime bosses. 'We are working together to try and address these issues, we have bolstered the transnational crime team and will be putting extra staff into internal affairs.' The expansion of transnational crime groups is a concern not just for PNG and Australia, but the whole region, Turner says. 'It could hit anywhere, but PNG is a vulnerable new country. We look through Australian eyes, but its to the benefit of us all to address these regional transnational crime problems.'

PNG Police Minister Bire Kimisopa says he is fearful of the growth in the Asian gangs. 'The Chinese mafia have bought off officials throughout the system', he says. 'They are operating illegal businesses, they are siphoning money out, corrupting government officials, colluding with police and making attempts to kill officials as well.' According to Kimisopa, several officials who refused to cooperate with the gangs had been threatened with murder. The syndicates have also recruited Port Moresby's raskol gangs to rob and intimidate, loot containers on the wharves and commit armed robberies across the city. Kimisopa also noted a secret investigation he ordered 'implicates a number of senior policemen; it goes right to the top. In all fairness they should have rights to rebut, these are allegations, but they are credible.'

Kimisopa refuses to discuss details as they are subject to ongoing investigations, however, the closely guarded report of the corruption investigation includes allegations that one of PNG's most senior officers received \$10,000 from an Asian business figure and has personally issued firearms licences in breach of the current moratorium on

arms sales and licences. 'As a result a number of firearms were confiscated by Southern Division detectives ... this investigation, however, was suppressed', the report states.

It also details how the force's legal officer, Chief Superintendent Sam Bonner, attempted to pervert the course of justice by interfering with an investigation into illegal horse-racing machines last year at a venue owned by alleged crime figure Albert Khoo. Sing Enterprises, a company run by Khoo, has at least four senior police on its payroll. Company searches reveal Irene Kei, wife of chief inspector Mens Kei, is a director and shareholder of Sing Enterprises. Bonner rushed to Jackson international airport earlier this year to try to block the deportation of six illegal Asian migrants. The men were involved with the Econ Trading company, a key financier and organiser of people smuggling and illegal gaming. At least two other senior officers are on Econ's payroll. Another chief superintendent has been living in a unit provided rent free by one of the operators of the horse-racing machines.

A recent raid on a gambling den in PNG's second largest city, Lae, embarrassed RPNGC Deputy Commissioner Tom Kulunga. He owns the house where horse-racing machines were operating and stored. To the surprise of some colleagues, he has been cleared by Commissioner Sam Inguba after an internal inquiry. Kulunga stated he did not know his tenants were operating a gambling den and he did not see the machines when he visited the house last August.

'The over-riding question for Australia remains what may be required next if the governance and law and order problems in PNG continue to deteriorate, effectively undermining the state.'

Well-placed sources have told of an assistant commissioner associated with at

least one Asian crime syndicate but not included in a police report arising from the continuing corruption probe. This senior police officer has intervened to disrupt investigations into organised crime figures twice over the last year. The police report also states that a superintendent was bribed to provide a police boat to Indonesian smugglers to transport marijuana and vanilla into Indonesia. 'As a result, Sergeant Bruno Kaib of Wewak prosecutions section and others were caught by Indonesian police and are currently imprisoned in Indonesia,' the report says.

People smuggling is a growing concern. Foreign Minister Sir Rabbie Namaliu estimates 10,000 illegal immigrants have been smuggled into PNG, mostly ethnic Chinese. Once in PNG, many try to buy citizenship before seeking to migrate to Australia. In June, only a last-minute intervention from Sir Rabbie halted the granting of citizenship to Lin Wan Xin, notorious locally as a 'snakehead' (people smuggler). He boasted character references from the previous deputy prime minister, Allan Marat, and several senior officials. Lin is understood to have relocated to the island of Daru, a short speed-boat ride from Australia.

Milne Bay Province Governor Tim Neville caused uproar in Parliament last November by naming the director-general of immigration, the director of foreign affairs operations and a member of the Prime Minister's National Security Advisory Committee for 'deporting' two principals of Econ

Trading out of PNG before charges could be laid against them. One of the men said he had spent tens of thousands of dollars on school fees for the officials' children. Prime Minister Sir Michael Somare insisted he did not sanction the officials' actions saying the pair were ostensibly deported to 'isolate them from the rest of the known operators and to ensure they are not using their contacts in the community, including some government officials, to frustrate the ongoing investigation'.

Econ Trading continues to operate in PNG and one of the deportees is rumoured to have since slipped back into the country. Police Minister Kimisopa is frustrated at the overall lack of action, complaining that even though he has directed Commissioner Inguba to dismiss two senior officers due to their associations with Asian syndicates, the directive has not been acted on. Kimisopa believes the growing number of illegal migrants from China's Fujian province and Malaysia are using PNG to make a fast buck and in the process corrupting virtually every official, including the PNG police. '... people in responsible positions need to stand up. Their silence can only mean they are condoning illegal activity or support what is going on.'

Hugh White, now the Professor of Strategic Studies at the ANU, who co-authored ASPI's recent PNG report, says revelations of the influence of organised crime over the police in PNG are 'shocking, but not surprising'. 'It raises the risk of transnational crime in PNG being a conduit into Australia for a range of activities, including people smuggling and drug trafficking. It shows how deep the problems are and how hard it will be for Australian police to make a real difference, it will require a sustained effort.'

The over-riding question for Australia remains what may be required next if the governance and law and order problems in PNG continue to deteriorate, effectively undermining the state. In PNG, many of the honest politicians, officials and police also see the ECP as the last chance to turn things around before a new generation of crooks and carpetbaggers is propagated by dysfunctional systems and a corrupting political and social culture. Just how prepared they, and the Australian police, are prepared to undertake a clean out that should extend to the top will become clear over the coming months. ♦

ECP backgrounder

The \$A1.1 billion five-year plan to help restore law and order in Papua New Guinea is Australia's most expensive and ambitious overseas aid initiative. Australian police began patrols in Port Moresby in December 2004.

One hundred Australian police are on active duty in Port Moresby, helping the RPNGC patrol crime hot spots, and more will be posted to other areas. Another 18 police are on the island of Bougainville.

In all, 210 police will join the program to bolster the capacity of their PNG colleagues—in a police force acknowledged as dysfunctional and riddled with corruption. Another 36 Australian public servants will be placed in key administrative positions and 18 legal specialists will join PNG's judiciary and public prosecution system.

Despite controversy about the supposed insult to PNG's sovereignty in granting Australian police a degree of legal immunity, the program has been widely welcomed by a population weary of increasingly violent crime. However, a constitutional challenge against the immunity by a provincial governor has cast a shadow over the program's future.

Mark Forbes is the foreign affairs and defence correspondent for the 'Age'.

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