



THE OFFICE OF THE DIRECTOR OF PUBLIC PROSECUTIONS

“Fighting Economic Crime – a Shared Responsibility” “The International Dimension”

An Address by the Director of Public Prosecutions for Fiji, Mr Christopher Pryde, for the Thirty-Seventh International Symposium on Economic Crime held at Jesus College, Cambridge, UK – Session XI on Friday, 6th September 2019.

Thank you Mr Chairman and good morning everybody.

1. I would first like to acknowledge and thank Barry, Saul, Chizu, May, Angela, and the organisers of the Symposium for inviting me to speak today at what, for Fiji, is one of the highlight events of the year for us to attend. We gain an enormous amount from being able to participate at such an incredible event and so on behalf of the Fijian delegation I thank you for this and for the opportunity to present this morning on the topic “The International Dimension”.
2. From being one of the most isolated countries in the world situated in the middle of the world’s largest ocean and governed for 96 years, for the most part peacefully, by a competent but unambitious British colonial government, Fiji has been slowly opening up to the world in

the nearly 50 years since independence. *(In fact we will be celebrating our 50th birthday as a modern nation next year.)* Realising that long-term economic prosperity for Fijians required greater engagement internationally, the last 10 years particularly, has seen Fiji's government open up larger areas of the economy to foreign direct investment, create new business opportunities, reform outdated colonial-era laws, and establish trade representative offices, high commissions and embassies in many more parts of the world which have not traditionally been a focus for Fiji. There is a need to not only secure long-term economic prosperity but also to secure long term national security from threats faced to Fiji by climate change which is already effecting parts of the country and the economy.

3. Greater openness has been good for the economy. Fiji has graduated from a lower middle-income country to an upper middle-income country in a short span of time. We are steadily achieving our trade and economic aspirations and greater openness has led to continued and consistent growth of the Fijian economy for almost a decade.¹ But *(and there is usually a "but")*, as the noted Chinese statesman, Deng Xiaoping, once said in relation to China's efforts to open up in the 1970's, "when you open the window, the flies also come in".
4. In Fiji, those flies have come in the form of international drug cartels and their proxies in Fiji to assist with laundering their proceeds. Fiji along with several of our pacific neighbours Vanuatu, Papua New

¹ Minister for Employment, Productivity, Industrial Relations, Youth and Sports at Fiji Chamber of Commerce and Industry: Business Summit;15.8.19

Guinea, Tonga and New Caledonia, is now firmly established as an intersection point on the Pacific Drug Highway linking South and Central America and South East Asia to the cash cows of New Zealand and Australia. In the past 2 years alone, close to US\$30 million (F\$63m) in “white drugs” were intercepted at Fiji’s borders by local and regional law enforcement agencies. This is universally acknowledged however to be the tip of the iceberg.

5. Whilst Fiji has always had a problem with “green drugs” such as cannabis the explosive growth in the trade of “white drugs” such as crystal methamphetamine and cocaine is creating enormous challenges not just in terms of detection and apprehension but also in the pernicious effects of the trade such as addiction for which there is no recognised treatment available in Fiji. Whilst “green drugs” have been used by locals for decades, “white drugs” were largely consumed by wealthier expatriates around the “yachting set” in tourist areas of the Pacific and their use was largely confined to these groups.
6. Recently however, “white drugs” have entered the local market either as payment to locals for assistance instead of money so they can sell or by locals finding drugs washed up on the shores and using the drugs without knowing what they are. In Tahiti in 2017, for example, a boat full of cocaine exploded on a remote reef. Weeks later, police discovered an island almost totally addicted to the drug with the local population having mistaken it for sugar. In the Federated States of Micronesia, cocaine discovered in a lagoon was used as a washing

powder until locals realised it wasn't lathering.² In Fiji, some fishermen find it more lucrative to assist cartels by collecting nets filled with cocaine packages and submerged under water rather than traditional fishing due to the returns being offered. In some cases, whole villages, including the local churches, have been upgraded entirely on the proceeds of the drug trade.

7. In some instances, fishermen are not required. Last year, 120 bricks of cocaine washed up on the shores of one of Fiji's outer islands in the Lau group. The traffickers had filled a large net with hundreds of 1kg packages of cocaine wrapped in plastic. The net was submerged and attached to a transponder; the anchored rope snapped during a storm and the net floated up and tore on the reef with the tide depositing the bricks on the shore. We are still waiting for the owners to claim them.

8. In order to provide greater deterrent, Fiji's Court of Appeal has recently increased the sentencing tariffs for possession of "white drugs" and people convicted of possession can expect lengthy prison terms. In one recent case a renowned Australian horse trainer was convicted of bringing 12kg of cocaine into Fiji with his wife on board their eponymous yacht Shenanigans. The wife was acquitted but the horse trainer received a sentence of 23 years imprisonment with a non-parole period of 18 years. We were also able to successfully restrain and then sell the yacht under Fiji's Proceeds of Crime legislation.

² As reported in the Guardian newspaper, June 2019

9. The ability to successfully monitor 332 islands and 522 smaller islets covering a total land size of 18,272 km² (7,055 sq. mi) with an exclusive economic zone of 1,282,978 km² (495,361 sq. mi) (the 26th largest) however is a herculean task for Fiji to tackle alone and in recent years considerable assistance has been given by our international partners in terms of surveillance vessels and joint maritime operations. Intelligence is shared across a number of agencies and regional groups and there has been some success but the profits involved for the cartels and locals alike make the risks and the opportunities too enticing and our best efforts are likely to only ever have little more than a marginal impact on the trade. Following the money however and seizing property gained from proceeds of the drug trade is likely to render more positive results and, as with detection and the apprehension of offenders, success requires an international effort.

10. The proceeds of the drug trade are being laundered into the financial system in Fiji through myriad channels and we are starting to see a move away from banks as a traditional source of money laundering to real estate agents and lawyer's trust funds as banks enact tighter measures to identify their customers and the source of the funds being deposited. In the first 6 months of this year we have recorded an exponential increase in the numbers of money laundering cases compared to the whole of 2018. In addition to this, we have seen an

increase in the numbers of air passengers bringing large sums of money into the country from around the Pacific region.

11. Shared intelligence with regional agencies has helped trace money and property from predicate offences committed in one jurisdiction with the proceeds laundered in another. We were recently able to assist the NZ government in locating and restraining real estate in Fiji bought with the proceeds of drug money following conviction of a drug gang in New Zealand and in one of our largest cases which is still before the courts, 39.5kg of cocaine was located at a residence in Suva following a year – long multi agency operation which has involved people from a number of different countries and with money laundered through the purchase of properties and vehicles and through the use of a solicitor’s trust account.

12. The ability to locate, identify, and seize property that is tainted by the proceeds of crime and have it forfeited to the State represents one of the most effective weapons in our armoury. Hit them where it hurts. Remove the profit and remove the incentive because for a lot of people in Fiji a term of imprisonment is worth it if their family or village is receiving the financial benefit.

Conclusion

13. The use of Fiji by international drug cartels as a regional hub on the Pacific Drug Highway as a means to facilitate the drug trade and launder the proceeds has emerged as a serious threat to security and

needs to be stopped before it becomes endemic to the region. Large sums of money being laundered through entities often end up spilling over as bribes to officials in government and law enforcement. We have seen this in Fiji before but not in the amounts. Failure to deal with the problem head on will weaken fledgling institutions and further hamper our ability to cope.

14. We are already on the back foot and the rapid increase in the use and trade of “white drugs” in the region needs to be curtailed and the channels to launder the proceeds closed up. This is a regional problem and it requires regional solutions. There needs to be stronger international engagement between law and enforcement agencies within the region; there needs to be improved intelligence sharing with regional agencies; and there needs to be a clearer strategic approach to the problem in the region.

I thank you for listening to me.

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