



CORRUPTION WORKING GROUP

MEETING MINUTES

Thursday 10th August 2023

1.00pm Nauru time

1. **Welcome:** Corruption WG Chair – **Andie Driu** – Director Public Prosecution, Republic of Nauru.

2. **Present**

- ii. Ernestine Rengiil – Attorney General of Palau
- iii. Bernard Adiniwin – Attorney General RMI
- IV. Janelle Etelagi – Legal Officer, American Samoa
- v. Meg Rudder – Senior Legal Officer - Australia
- vi. Sasae Walter – Coordinator, PILON
- vii. Rosy Fogatia – A/Coordinator, PILON

3. **Apologies:**

Josephine Pitmur – Deputy Secretary, Dept of Justice and Attorney General PNG
Jamie Crawford – Crown Law Counsel – Cook Islands

4. **Minutes from previous Working Group Meeting – 30 March 2023**

MR went through the minutes.

A motion to approve the minutes of 30 March 2023 was moved by Australia and seconded by JE of American Samoa.

5. **Matters for Discussion:**

- I. Update on Corruption WG webinar: “Gift giving vs Corruption – where is the line?”,
“Optional

Chair spoke of the huge audience that the webinar of this WG attracted.

MR informed members, that the webinar attracted the largest numbers of viewers if compared to all PILON webinar. The most amazing achievement was the recent WG webinar held on 22 June and it broke the record for the highest ever attendance at a Corruption Working Group webinar and any webinars offered by PILON to date. About 92 connections/people logged on and we could see that multiple people were also

watching from some of those devices. In addition to the live audience, the recording of the webinar on the PILON Secretariat YouTube page has been viewed more than 30 times. MR also mentioned Josephine Pitmur, who nominated her time and also to speak at the webinar. This did not happen, but she was acknowledged for putting up her hand as a member of the WG to speak at our webinar.

From the feedback received from members, was that people enjoyed the format where they could hear about a number of jurisdictions what they were doing to approach this issue and how they were tackling it. Overall, it was very positive feedback and was a very successful event for the WG.

Chair congratulated the WG for choosing a topic that touches to the heart of every island country. She reminded members that the next webinar is in late September and its on the topic of Money Laundering. She also commented that again we (WG) are at this crossroad on how far we want to take this topic of ML. She reminded members that the WG agreed (*in last meeting*) that we will keep it to 1 speaker at this stage to present on how best legislative reform should reflect the emerging trends of ML. She also advised that ML is a wide topic so the WG need to give it some direction, whether it should be on the legislative reform, law enforcement position, or shall we look at it from the position of each jurisdiction and their understanding of the prosecutions undertaken. Chair proposed that for the next webinar, we can appoint one speaker with common knowledge of PILON member countries status on legislations and emerging trends of new forms of ML.

ER commented on who the speaker is and how he will address the topic with relevance to the Pacific region.

MR of Australia updated members that Mike Petty, he is a respected expert in the field of ML particularly in the Pacific, originally, he is from the AFP¹ and have done a lot of work in this field. She mentioned that she had reached out to Petty for his availability but she informed members that it is up to the WG to advice on any particular direction or a particular aspect of ML that the WG would like him to focus on it in the presentation.

She also flagged Petty can cover the new and emerging typologies of ML and the gaps in legislations that need to be filled to address these ideas.

JE of American Samoa (AS) commented that one difference is the currency and how the AS govt operate under the umbrella of the US govt. that is one of the major differences between American Samoa and many Pacific Islands who are independent or federally led. She supported any relevant topic of ML with a focus on the Pacific.

ER added that Palau has completed a ML Review and are interested in having training on investigating and prosecuting ML cases. She informed members that Palau hasn't prosecuted ML case for a long time and at present there's no case being reported to the office.

She also shared that the level of engagement with this event shows the importance of this topic for our PILON members and friends. Interestingly, there was mention of that

¹ Australia Federal Police

it can be difficult to distinguish between corrupt conduct and gift giving, particularly where gift giving is a long standing and well-accepted part of our culture.

BA of RMI commented that RMI had a potential ML case that was taken out of the schedule 2 years ago and they're working with the banking company. RMI has updated their Criminal Code in 2012 so there haven't done any prosecution on ML, so it's a foreign concept, but of course there's a lot in place to address these cases if it appears.

Chair thanked Palau, American Samoa and RMI for their input and she shared with members a APG conference on ML she attended in Samoa and she mentioned that the concept of ML has its foot in the Pacific for some time and there's hardly any prosecutions. And given the fact that there's new forms of money transfers, cryptocurrency, new financial institutions being set up, bitcoins and having prosecuted a ML case in 1997, since then, there hasn't been any ML prosecutions.

Chair added that Mike Petty really needs to revamp the fact that were losing track of this concept of investigating and prosecuting ML.

She also mentioned that prosecution will never happen unless it's been investigated. Investigation has to take the form of coordination, and collaboration with Police and other relevant stakeholders outside of the Police force such as FIU, Banking Commissions, Customs, Immigrations Western Union, etc.

BA added that for ML, RMI is fortunate that the Banking Commissioner is adamant in investigating the aspects of ML tied into to other criminal activities. So they have been doing investigations with the Police Department and work when completed will be passed onto the AG office for prosecution. He mentioned that PILON is a very good platform, and they're trying to maximise their membership with PILON and to see how they can get some tips on ML prosecutions.

Chair asked MR to get back to Mike Petty on a focused presentation to address these types of issues on prosecutions of ML.

MR responded that this information will be relayed to Mr Petty, in order to have a more targeted and practical webinar and having Mr Petty with an investigation background will be very helpful.

SW added that in the last WG face to face training that was held in Fiji in 2018, members discussed the publication of the framework of Prosecuting Corruption and 2 cases of ML were added onto the ML section of this booklet. They were the Bobongi case in the Solomon Islands where Mr Bobongi was sentenced 9 years imprisonment for larceny, embezzlement and money laundering. The Wartoto case of PNG resulted in the National Court convicted Watoto of the offence of misappropriation of property under section 383A(1)(a) of the Criminal Code.

She also mentioned the research with ML cases, and Fiji seems to be the one jurisdiction with more cases of ML as compared to most of the islands of the Pacific, but the money that was involved were in the range of 100k Fijian or less.

II. Next upcoming Corruption WG webinar

The WG are planning to hold its next webinar next Thursday 14 September. The main topic to be discussed is money laundering, which is an emerging and important issue in the Pacific that is closely linked to corruption.

To do:

Secretariat to send all WG members an email to inform them of next WG meeting and to also remind them of the WG webinar.

III. Update on Working Group meetings and activities for 2024

Chair commented that all members are encouraged to send in any suggestions or input into what should be a focus of the WG for the next 3 years.

To do:

Secretariat to send all WG members an email to submit any suggestions or input into what should be a focus of the WG.

IV. Members update on Corruption related activities in each jurisdiction

Nauru

Major developments with the Memorandum of Arrangements that's being signed with NZ FIU²s so Nauru is strengthening its FIU relationship with NZ. Another one has been signed by Nauru and the Republic of China-Taiwan. Nauru has completed the legal frameworks on the mutual evaluation of the FATF³ standards on ML and Corruption. Onsite visits (9-16 October) are undergoing at the moment and should be completed before the end of the year.

The Coordination of regional bodies was discussed at national level and Nauru would like to see it happen more regularly. The duplication of trainings that are run by various regional bodies like UNODC⁴, UNDP⁵, on the topic of Corruption and whether that information is shared amongst members countries. Chair raised if this can be a role of PILON to share this information as a network to all members. The consistent flow of information and training, is very much preferred. For e.g., there's a SPC⁶ Cybercrime eSafety symposium in 2nd week September, and Nauru is invited in October on the P4C⁷ and is run by OCSC⁸ and GFCE⁹.

American Samoa

² Financial Institutional Units

³ Financial Action Task Force

⁴ United Nations Office on Drugs and Crime

⁵ United Nations Development Programme

⁶ Special Pacific Communities

⁷ Pacific Cyber Capacity Coordination Conference

⁸ Oceania Cyber Security Centre

⁹ Global Forum on Cyber Expertise

The govt continues to enforce local statutes regarding government employees and gifting and implement its code of ethics (Samoan and English language) established by an executive order that was officially introduced in 2021 and it;

- requires ethics training conducted for each agency and or department under the AS govt umbrella and that
- ethics policies are consistently implemented across all the entire agencies of govt, and
- each govt agency has assigned an ethics officer,

RMI

Early this year RMI obtained some funding from US Graduate school to provide presentations of Employee Forum (*Majuro and planning another forum in next most populated island of Kwajalein*) which happened every 2/3 years. The whole of govt, all public servants, new public servants that were recently hired as well of senior ones.

The Chief Secretary emphasises that all public servants know about the Code of Ethics, the code of Conduct and how to be a responsible public servant. There is also an Ethics Board to address these complaints.

One recent example several complaints received by the forum and it resulted in investigations and an official was terminated.

RMI have been working with FBI on 2 cases involving Marshallese citizens on the indictment by the US provided in late 2022.

Palau

ER reported that they were fortunate that they were able to receive training from UNODC through a workshop to establish a National Anti-Corruption Strategy Review. As part of a National Integrity Dialogue, this event promoted integrity good practices through implementation of UNCAC, the Pacific's regional anti-corruption roadmap - the Teieniwa Vision, drafting the Teieniwa Vision Needs Analysis for Palau Focal Point, engagement with other Small Island Developing States (SIDS) and ensuring a strong Pacific presence at CoSP10, including a Pacific Unity Against Corruption dialogue.

Samoa

SW updated members that there is a Country Review Report of Samoa, prepared by UNODC 2021 that that as yet, no money laundering cases have been brought for prosecution or pending investigation. In the report, Samoa was encouraged to establish procedures for the disqualification of public officials convicted of corruption offences from holding public office.

One notable observation was that;

- Bribery in the private sector is not criminalized.
- Passive bribery of foreign public officials and officials of public international organizations is not criminalized in Samoa.
- Passive trading in influence is not criminalized
- Illicit enrichment is not criminalized in Samoa, due to constitutional concerns.

6. **Next Meeting:** At the PILON Annual Meeting
7. **Meeting Closed:** 2.00pm Nauru time