

# Law review needed to beat crime by computer

**Development of computer systems in transacting business held horrendous implications for international money movement controls, Detective Superintendent Jim Allen said recently.**

Detective Superintendent Allen, head of the AFP's National Crime Investigation Branch, was speaking at the 54th ANZAAS Congress, held in Canberra.

He delivered a paper entitled 'The Vanishing Dollar' at a session chaired by the Deputy Commissioner, Operations, Mr John Johnson.

Detective Superintendent Allen said law enforcement organisations needed the help of an urgent review of legislation in the task ahead.

He pointed to the need to 'awaken a sleeping public to the highly organised, sophisticated and financial-based empires which control criminal activities'.

"While the sensationalism of front-page media coverage of rape, murder and robbery tends to direct thoughts towards society's violent evolution, the vast majority of citizens is unaware of the corporate criminal structures responsible for much violent crime," he said.

Until recently the average Australian was conditioned to the belief that organised crime existed only within the ranks of the Cosa Nostra, or Mafia.

"Since the early 60s, which saw the brutal shootings of Australian Mafia targets in the Melbourne markets, we have seen the re-emergence of violence in organised crime with the disappearance of anti-drug campaigner Donald Mackay, and, more recently, the notorious Mr Asia drug syndicate and its principal, Terrence Sinclair, alias Clark, and the brutal murders of a number of disaffected associates," he said.

In the past 12 months, Australian Federal Police and Customs Officers have seized around 90 kilos of imported heroin. While that might seem substantial no one could be sure just how much entered the country.

"Likewise, we cannot be sure of the total sum of money leaving Australia under the guise of genuine business activity which eventually reach overseas foreign companies and bank accounts, never to be repatriated," he said.

"We have seen the emergence of internationally recognised tax consultants as well as many other professionals who profit, by providing schemes and facilities, marginally within the law, or through the unlawful manipulation of Foreign Exchange Regulations, which allow their clients to 'dispose' of taxable income.

"The Australian business ethic which views such activity as perhaps illegal but most certainly not criminal, does little to help improve the average Australian's way of life," he said.

Hong Kong, as the primary financial centre of Asia and within one half-day's travel from Australia, had become the Mecca for Australian dollar money laundering. In February 1981, Hong Kong removed its 15 per cent foreign dollar investment tax on interest earned from off-shore deposits.

This had made the colony extremely attractive to those seeking to invest foreign currency, the proceeds of tax evasion and other criminal activity.

## TAX HAVENS

Detective Superintendent Allen said the channelling of money to such places as Switzerland, Liechtenstein, the Dutch Antilles, Panama, Bermuda, the Bahamas, the Channel Islands, Nauru, New Hebrides, Brunei, the Caymans and the Australian Island Protectorate of Norfolk Island, had become not only a regular but accepted practice.

It would seem that in spite of the application of resources, authorities were powerless to stop it, he said.

Individuals and groups of individuals had been responsible for the hiving off of millions of Australian dollars, both as a result of, and for criminal purposes.

Of the money sent each year to Swiss bank accounts, some was for legitimate purposes, some was black money, the proceeds of crime, but much of it was transferred off-shore purely for tax evasion.

The strict Swiss laws prohibiting disclosure to third parties had often proved the stumbling block to commercial fraud investigators.

However, not all Swiss bank accounts existed for nefarious reasons; and the massive volume of legitimate transactions provided excellent cover for criminal and illicit money transfers, with Swiss bankers generally uninterested in client identity.

Detective Superintendent Allen said a higher strata of organised criminal activity was detailed in the Interim Report No. 4 of the Royal Commission of Inquiry into the Federated Ship Painters and Dockers Union.

Commissioner Costigan, referring in part to massive taxation fraud, pointed out that there were investors or financiers, financial managers and trustees, lawyers and accountants, and criminal entrepreneurs involved in the preparation, implementation and execution of such schemes.

"We, as police, have to a large extent been unsuccessful in the detection and prosecution of what we might call the ultimate criminal mind, the individual or group of individuals whose organisation, sufficiently distanced from the criminal act, remain aloof and largely undetectable," he said.

In 1970 the United States Government enacted legislation designed to provide a means to extract illegal gain from criminals by way of forfeiture of profits. However, as at



• *Detective Superintendent Jim Allen.*

March 1980 a mere \$2 million had been recouped.

Given that current estimates put US drug trafficking revenue as high as \$7 billion a year, the effectiveness of such legislation was in doubt.

"It is essential we have at our disposal adequate legislation with which we can recoup those millions of dollars gleaned illegally from our economy," he said.

"While we continue without such measures, only the criminal and his criminally culpable advisors will profit, and we will never be able to offer any measure of control to the passage of Australian dollars off-shore."

Detective Superintendent Allen said that in a review of its activity some 18 months ago, the Australian Federal Police saw the need to establish a unit within its detective ranks whose responsibility would include the investigation of complex commercial criminal matters committed against the Government.

"This, of course, is in addition to the support we have given and which we continue to give to the various Commissions of Inquiry and to the Office of the Special Prosecutor," he said.

"The peculiar nature of organised commercial crime and its association with narcotics importation and distribution, as well as offences against the Taxation and Foreign Exchange laws, call for such a redistribution of resources."

He said that the Campbell Committee of Inquiry favoured deregulation of exchange control in Australia.

"Despite that recommendation, we will need to ensure that the legislature provides the police with the means and the controls necessary to detect criminal activity involving international money laundering," he said.

"To achieve this, we need an urgent review of present legislation. The Australian economy and our very way of life is threatened," he said.

# Colour patches are in demand

**Collecting police shoulder patches and emblems is a popular hobby enjoyed by members of forces around the world.**

The following letters have been sent to Platypus by members in their never-ending search for new additions to their collections and to widen their knowledge of police activities.

Sir:

I am a New York City Police Officer presently assigned to Highway Patrol Unit No.1 Bronx/Manhattan. I am attempting to put together a large collection of Police and Sheriffs' Department shoulder patches for the purpose of display.

If your department does not participate in the exchange of patches with other departments, would it be possible for you to post this notice on your bulletin board as many departments have individual officers who have their own collections and are willing to exchange patches with other Police officers?

*P.O. L.J. Huxley  
3146 Fairmount Avenue  
Bronx, New York, 10465 USA.*

Sir:

I am a Senior Constable with the Queensland Police Department and I have recently commenced a collection of law enforcement emblems, etc.

I would be interested in corresponding with any members in that Territory who may be interested in exchanging emblems etc. I would be most grateful of any assistance that you may give regarding this matter.

*Ray Brown  
c/o Police Station  
Dulacca, Queensland, 4425.*

Sir:

I am a Police officer with the Lancaster City Police Department in Lancaster, Pennsylvania. I am an avid collector of Police uniform patches and I have a special interest in Australian Police Forces. Would you be able to assist me in obtaining some Australian Federal Police patches?

I would really appreciate your most valuable assistance.

*Steven White  
1675 Susan Avenue  
Lancaster, PA 17602 USA.*

# COUPLE SAY THANKS

**Two pensioners in the Canberra suburb of Ainslie still have their life savings, thanks to luck and the integrity of Detective Sergeant Barrie Campbell.**

Barrie discovered a bag containing several hundred dollars lying in the middle of the road.

Shortly after, two distraught pensioners arrived at City Police Station to report its loss. They were quickly reunited with their savings.

The bag apparently had been placed on the boot of a friend's car and when its owner, a retired opal miner (who wished to be known

only by his first name John), went inside, he forgot to retrieve it.

His friend drove off. The bag fell off the boot within a couple of hundred metres of the house.

The two pensioners made a special trip to thank Barrie, a reluctant hero.

"To have lost the money would have meant everything," said John. "It's all we have."

Barrie would say only that returning the money was no more than was expected of a police officer.

"I suppose it could have been a different story had I not happened to come by first," he said.