



PILON OVERVIEW REPORT TO FRSC 2016

What PILON does:

- PILON is a body comprising the most senior legal officers in the Pacific region. It's members are Secretaries of Justice, Attorneys-General, Solicitors-General, Directors of Public Prosecutions and also includes their legal staff.
- PILON's primary focus is legal policy issues of regional significance. It provides a forum for members to discuss these regional legal priorities and is a useful reference group for observer members and other stakeholders to consult on Pacific law and justice issues.
- In 2015 PILON adopted a new strategic plan for 2016 to 2018, which sets out three legal policy priorities of sexual and gender based violence (SGBV), cybercrime and environmental crime and corruption.
- There are clear and important links between the work of PILON and regional security, making PILON an active contributor to regional security initiatives.

PILON 2016 Activities:

- Sexual and Gender Based Violence - The SGBV working group met in May 2016 in Samoa to consider new approaches to implementing SGBV legislation, including therapeutic courts, victim support and monitoring for enhanced impact. The outcomes statement reports a commitment to developing a database of experts for SGBV matters and producing draft best practice guidelines for dealing with vulnerable witnesses in SGBV matters, to be further considered by the Pacific Prosecutors Association later this year.
- Cybercrime – The Cybercrime working group met in February in Tonga, followed by a technical workshop supported by the Commonwealth Secretariat. The working group considered how lawyers, police and IT professionals from across the Pacific can be better connected to most effectively combat cybercrime. The working group also



agreed to undertake an assessment of current Pacific cybercrime legislation. This work will also support the Pacific Island Chiefs of Police work in this area.

- Environmental Crime and Corruption – This new working group will undertake a member survey of pressing environmental crime issues in the Pacific. A technical workshop on corruption in natural resource management is also expected to be convened immediately prior to the PILON annual meeting, in the Federated States of Micronesia, in October this year.
- In addition, this year PILON members will work with the Pacific Transnational Crime Coordination Centre to consider legal issues associated with criminal deportees and illegal drugs including methamphetamine. Background legal research will be undertaken and members will be invited to consider these issues further at the PILON annual meeting.

Role of the PILON Secretariat:

- The role of the PILON Secretariat is to facilitate collaboration and disseminate information between PILON members, observer members and other regional law and justice stakeholders. Regular communication is currently by way of quarterly newsletter (Talanoa); monthly email updates; and use of the PILON website. Look out for the re-designed PILON website in 2016 for enhanced information sharing and networking. The PILON Secretariat is also happy to be contacted by phone or email to provide information and support connections in the Pacific law and justice sector.
- As part of its expanded role in facilitating regional networking and technical support, in the second 2016 PILON will commence facilitation of regional internships for newly graduated Pacific lawyers and technical exchanges for expert Pacific lawyers with specialist skills.
- The PILON Secretariat is also secretariat to the Pacific Prosecutors Association (PPA). The PPA is expected to meet in the second half of this year, in Nadi. The meeting theme



of 'Contemporary law in the Pacific' has been proposed and will consider prosecutorial case studies, including the prosecution of 14 MPs last year in Vanuatu.

- PILON members also support and participate in the Pacific Legislative Drafters Forum, which this year will be hosted by Tonga in the second half of the year.
- The PILON Secretariat supports the NZ Crown Law Litigation Skills Program, which this year will focus on advanced skills for litigators and be delivered in New Zealand in November.
- PILON is currently in the process of recruiting a new Secretariat Co-ordinator, if you or someone you know may be interested in this position, please contact the Acting PILON Coordinator, Tema Buatoka on email address: temalesi.buatoka@pilonsec.org for more information.

In terms of strategic issues raised by PILON at the Pre-FRSC meeting in March this year and for purposes of development of possible proposals and activities: -

- (i) In a recent survey for the drafting up of the PILON Strategic Plan, PILON member countries listed their top issues or crime types as Cybercrime, Drug trafficking/control (methamphetamines/cocaine), Human trafficking/human smuggling, Fraud - passport/money laundering, Illegal fishing and arms trafficking.

Some examples of recent cases reported by Members in 2014 to 2015?

(i) Cybercrime:

- TorrentLocker

First identified as a new variant of malware in February 2014, TorrentLocker is designed to avoid known virtual malware testing environments and to employ novel techniques to ensure that detection and evaluation are difficult. Once initiated, certified encryption protocols protect the malware files on the victim's computer.

During 2014, TorrentLocker was distributed by means of spam emails targeting 13 countries but, as identified by the Australian Crime Commission (ACC), initially it only targeted



Australia. The ransom message delivered to Australian computers listed the ransom fee in Australian dollars and required the victim to purchase bitcoins from specified Australian bitcoin websites and send the payment to the bitcoin address provided.

As at December 2014, it was estimated that TorrentLocker had infected more than 39,000 systems worldwide and that 570 of them (less than 2 per cent) had paid the ransom. It is estimated that the total ransom money paid to that date was worth between US\$292,700 and US\$585,401. The ACC's detailed understanding of the TorrentLocker malware resulted in the ACC proving that other allied countries were also being targeted by TorrentLocker, albeit not to the same extent as Australia.

(ii) Drug trafficking:

- The Republic of Palau currently has a number of drug trafficking cases (mostly metamphetamines coming through Philippines). The President has tasked the AGO with creating a task force to address the issue.
- Transnational crime group involved in methylamphetamine precursor and firearm trafficking - In October 2014, the Australian Federal Police (AFP), Queensland Police Service (QPS) and Australian Customs and Border Protection Service (ACBPS) conducted a number of raids in North Queensland and the Torres Strait, dismantling an organised crime syndicate that had allegedly imported 10 litres of the methylamphetamine precursor phenyl-2-propanone (P2P) into Australia, and attempted to export firearms into Papua New Guinea.

The group was identified in May 2014 when the AFP targeted smuggling networks operating out of Daru in Papua New Guinea and across the Torres Strait into North Queensland. It is alleged they imported 7 litres of P2P from Papua New Guinea into Australia via the Torres Strait in two separate importations during August and September 2014. A further 3 litres of P2P were seized during the raids. It was also alleged that the group attempted to export three firearms from Australia into Papua New Guinea in August 2014. The group was also linked to two large cannabis plantations that were detected in October 2014 in North Queensland.



(iii) Human trafficking/human smuggling:

- Two cases investigated in Chuuk (FSM) and filed with Supreme Court;
- Green boat that sailed from Ternate Island, Indonesia, to Yap (FSM) – 36 people in total from India and Nepal;
- With the influx of Foreign National employees, labour trafficking issues have been identified in the Republic of Palau.

(iv) Fraud/money laundering:

- Cases of passport fraud;
- Suspicious Transaction Reports (STRs) from FIUs;
- Offshore industry - 7 cases of internet fraud;
- Eligo National Task Force

The Eligo National Task Force was established by the Australian Crime Commission (ACC) Board in December 2012 to take coordinated collective action against high risk alternative remittance and informal value transfer systems being used by serious and organised crime to reduce their adverse impact on Australia. The Task Force combines the capabilities of the ACC, the Australian Federal Police, the Australian Transaction Reports and Analysis Centre, state and territory law enforcement and overseas law enforcement partners.

The Eligo National Task Force has yielded significant insights into the way in which the proceeds from the trafficking and sale of illicit commodities are laundered, particularly by discovering new methods of laundering proceeds of crime. As well as increasing our knowledge of money laundering processes, the Task Force has also gained a significant understanding of how alternative remittance systems work in different cultures and countries.

The interconnectedness of money laundering networks and the variety of laundering methodologies that have been identified demonstrate a truly organised and global system of criminal business. Examples of international money laundering methodologies identified by the Eligo National Task Force investigations are informal value transfer systems, trade-based money laundering² and structuring.



A significant money laundering modus operandi that has been identified in Eligo investigations is the use of offshore money laundering super facilitators. Intelligence has shown that some criminal groups using alternative remittance services have their laundering activities coordinated by offshore money laundering super facilitators or controllers, who direct the activities of 'cash collectors' in multiple countries, including Australia. These cash collectors are used to place money into the alternative remittance system, where offshore super facilitators will manage the money laundering process.

Since its commencement, the Eligo National Task Force has undertaken significant operational activity, culminating in the disruption of several global money laundering and drug networks. In conjunction with partner agencies, Task Force investigations to date³ have resulted in:

- fA\$65.9 million in cash seized
- fA\$925.7 million in estimated street value of drugs and precursors seized
- f289 persons arrested on 673 charges
- fA\$46 million in assets restrained
- f52 serious and organised criminal networks or groups disrupted
- f284 new targets identified that were previously unknown to law enforcement.

Prevention is also a focus of the Task Force, which will aim to harden the alternative remittance services sector against exploitation by organised crime. The Task Force is working with industry to identify areas of vulnerability and drive initiatives aimed at preventing further such exploitation.

(v) Illegal fishing:

- Matters referred from the FFA to member countries;
- 10 Vietnamese vessels committing IUU fishing in FSM waters

Challenges or adverse factors experienced by Members when addressing/combating transnational crime as well as domestic crime issues?

- (i) Insufficient and inefficient resources to investigate transnational crimes;
- (ii) Lack/absence of an easily available forensic laboratory;
- (iii) Outdated criminal legislation;



- (iv) Lack of forensic experts: accounting, financial, computing;
- (v) Lack of understanding of the nature of transnational crime issues;
- (vi) Not enough shared information and insufficient mechanism of information sharing;
- (vii) Lack of appropriate language translators/interpreters.

Provide examples of national and regional response undertaken to address transnational crime and other domestic crime?

- (i) Ongoing training efforts of local police by NZ and Australian Police;
- (ii) Regional training provided by various international and regional bodies to combat money laundering, terrorist financing, cybercrime; PILON workshops;
- (iii) Surveillance operations in the region i.e. Operation Bigeye, Operation Kurukuru etc.
- (iv) Anti-human trafficking awareness programs;
- (v) Development of policies and legislation;
- (vi) Mutual evaluation strategic plans/national risk assessment;
- (vii) Information and intelligence sharing through PTCCC/new international partnerships and information sharing initiatives, such as the Five Eyes Law Enforcement Group (will facilitate targeted international law enforcement responses, innovative policy and legislative reform);
- (viii) Response plans for e.g.: Australia's National Organised Crime Response Plan 2015 – 2018 aims to enhance current strategies in place, to complement other existing strategies, to harden Australia's environment against organised crime.

Recommendations or strategies you would you suggest to Members to combat transnational and domestic crime?

- (i) Establishment of a regional forensics drug laboratory;
- (ii) Establishment of a regional framework for regional assistance for experts such as forensic accounting, forensic computing, forensic drug testing;
- (iii) Improved networking, cooperation, information sharing and contact points of investigation bodies in the region;
- (iv) Regional organisations/agencies to coordinate efforts to avoid duplication of efforts and wastage of resources;
- (v) More training on investigation for police (especially on modern crimes and use of digital devices).