TAKING US TO THE CLEANERS

A staggering amount of ill-gotten gains is “washed clean” in safe, law-abiding, little New Zealand every year. Much of this dirty business goes on right under our noses, in places most of us would never suspect. Caroline Courtney discovers just how widespread money laundering is – and how the launderers mostly manage to get away with it.

I felt like a kid who’d just been told where babies came from – the first time I heard how much dirty money is laundered through the Kiwi economy each year. No, surely not? That can’t be right… can it? My innocence vanished. It’s at least $1.5 billion – the equivalent of nearly nine times Fonterra’s after-tax profit last year. But wait. It could be more than $10 billion. No one really knows. It’s not like the dirtbags who wash their ill-gotten gains “clean” through our money-laundering machines are telling.

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Globally, a dizzying $US2 trillion spins through the murky money-laundering scene every single year, the International Monetary Fund estimates. But they don’t know for sure, either. When one of the world’s top anti-money laundering muckrakers, Professor Jason Sharman, of Queensland’s Griffith University, asked the IMF how they arrived at that sum, “they admitted they made it up.”

What we all know, almost intuitively, is the planet’s ugliest profiteers play the laundering game. The terrorist organisations and their flush financiers. The drug traffickers. The modern-day slave traders. And the all-round exploiters and parasites of humanity. No surprises there.

But what most of us don’t know – and I certainly didn’t – is that washing dirty money until it looks lily-white happens on a massive scale in little ol’ Aotearoa. Our own Ministry of Business, Innovation and Employment concluded New Zealand was a veritable “domicile of choice for international criminals wanting to launder money and traffic arms and drugs.”

Meanwhile, the rest of us might kid ourselves money laundering happens somewhere over the horizon on shadier shores than ours, and that it’s concentrating on big, international finance scams we can’t get our heads around but, “the reality is altogether different,” warns Ron Pol, the man fast becoming our leading expert on this dark and sinister art. The tie-wearing neighbourhood villains and tattooed drug dealers working getting our community’s streets have dash to wash, too, don’t forget, and they’re often laundering it through honest, local businesses that have “no idea they’re being used as washing machines for criminals”, says Pol, a former lawyer who nowadays advises lawyers, accountants and real estate agents on anti-money laundering compliance.

Odds are, in fact, that money laundering is happening right under your nose, in your very own food. And the launderers are taking you and me for fools.

**FOLLOW THE MONEY**

**How do they do it?** Well, let’s say you’re a small-fry guy with $80,000 stashed in your Hawke’s Bay attic from thieving. Or, a big-shot with a tidy million or two coming your way, via electronic transfers. Money you’ve creamed off inflated building contracts you awarded to your big-shot buddies. You sure mean to keep your pile hidden. You don’t want the government or anyone else’s hands on it. God forbid.

There are ways and means to fix your predicament. Here are a few. Maybe you’ll enlist an accomplice to deposit cash or electronic funds into multiple bank accounts here and offshore, in small amounts so as not to arouse suspicion – a technique affectionately known as “smurfing.” Then maybe you’ll buy and sell assets with those funds or create a labyrinthine trail of financial transactions to further disguise the money’s origins and render it almost untraceable. A process known as “layering.” Once your pile looks legit, it can come out of the closet and you can spend it on stuff you really want. Luxury properties. Flash cars. Yachts. Whatever.

Terrorism funding works in reverse. Take legal funds, earned from Middle Eastern oil fields, say, or charitable donations from “generous” benefactors, perhaps. Spin the money through multiple entities – shell companies, for example, created for the sole purpose of tactically manoeuvring funds from one entity to another. And, hey presto, the whole lot lands in the terrorists’ buoyant coffers. Next thing you know, IS parades a fleet of brand new, shiny black Toyota Land Cruisers through the streets of Syria.

The launderers are limited only by their considerable imaginations when dreaming up new dodge tactics. But let’s start in the most mundane of potential money laundering settings, back here in the Land of the Long White Cloud.

**THE CORNER SHOP**

In 1920s Prohibition America, gangster Al Capone pumped dirty money through laundromats, rinsing it “clean” with honest cash earned by washing people’s shirts. That’s how we got the phrase “money laundering.” Now most of us own a washing machine and your local launderer is more likely to be the corner shop, restaurant or other cash-rich business, says Pol.

Here’s an example, adapted from his unpublished research. Take three very similar restaurants located near each other. Two are busy, but one isn’t. The near-empty one has a “cash only” sign in the window and a Porsche parked out front, sporting the restaurant’s logo. The business may be entirely above board. But if it is washing dirty money, it’ll mingle the criminal cash with genuine takings and put the lot through its books. And because the restaurant’s tax returns look similar to its busy competitors, it doesn’t draw suspicion from authorities.

**THE LUXURY RETAIL DARLINGS... AND THE REST**

At glittering jewellery shops, antique dealers and galleries, items’ value can easily be fudged. It makes upmarket retail stores great places to mix dirty money with clean – something a crime-ring operating out of Los Angeles’ jewellery district took advantage of when it laundered $US2.1 billion in just 18 months for Colombian drug kingpins back in the 1980s, says Pol.

For the less ostentatious launderer, the glamour-free end of retail can sometimes offer opportunities for obfuscation: think pawn shops, used-car dealerships and so forth.

**THE FOOD AND WINE FESTIVALS**

Ah, yes, that genteel summer’s outing, where the wine flows, and the urbane money launderer might hope to relax and restock his cellar. Pol’s friend spotted possible laundering at a wine and food festival recently. When, at the end of a splendid day’s tasting, he went to exchange his $36 worth of unused “festival dollars” for credit at the region’s upmarket retail stores, a genuine dealer noticed a flustered cashier.

“The corner shop” (above) and US gangster Al Capone (right) with his attorney, Abraham Teitelbaum, in 1931.

She’d just been presented with about $2000 worth of “festival dollars” from another customer. She’d just been presented with about $36 worth of unused “festival dollars” for credit at the region’s upmarket retail stores, a genuine dealer noticed a flustered cashier. She’d just been presented with about $2000 worth of “festival dollars” from another customer. She’d just been presented with about $36 worth of unused “festival dollars” for credit at the region’s upmarket retail stores, a genuine dealer noticed a flustered cashier. She’d just been presented with about $2000 worth of “festival dollars” from another customer. She’d just been presented with about $36 worth of unused “festival dollars” for credit at the region’s upmarket retail stores, a genuine dealer noticed a flustered cashier. She’d just been presented with about $2000 worth of “festival dollars” from another customer. She’d just been presented with about $36 worth of unused “festival dollars” for credit at the region’s upmarket retail stores, a genuine dealer noticed a flustered cashier. She’d just been presented with about $2000 worth of “festival dollars” from another customer. She’d just been presented with about $36 worth of unused “festival dollars” for credit at the region’s upmarket retail stores, a genuine dealer noticed a flustered cashier. She’d just been presented with about $2000 worth of “festival dollars” from another customer.

*The Corner Shop*
I am only the (real) estate agent. I’m not the police,” he piped down the telephone at me. It sounded suspicious, I said to him. Was he aware of his legal obligations to report suspicious transactions? “But I don’t suspect,” he retorted.

Foreigners snaffling up our properties. (Obtaining a perfectly legitimate personal loan for as low as 0.2 per cent interest, “can be as easy as making a phone call”, to your employer’s bank if you’re a senior executive in a Chinese company or government department, says Auckland legal consultant Ashley Balls, especially “if you’re personally responsible for the external financial relationships of your employer.”)

But back to the imaginary real estate agent. For another fleeting moment you entertain suspicions about your mystery buyer and the source of all his moolah. Still, who are you to pry? Have another pinot. Or how about this real-life scenario: a home sold for around $2 million to an offshore Chinese national. The new owner left it largely vacant and less than six months later re-listed it. The Asian agent didn’t know why the vendor was selling so soon, or what he did for a living, or how he might have got the money out of China to pay for the property, given the Chinese government allows its citizens to remove only a paltry sum per year from China each year. “I am only the agent. I’m not the police,” he piped down the line. “I have no doubt that his agents were ‘suspicious’, I told him. Was he aware of his legal obligations to report suspicious transactions? “But I don’t suspect” he explained.

Truth is, soul-sapping scenarios like these have been repeated all over Auckland for a long time. Sure, the government has finally taken some heed. From October 1, these offshore buyers will need a New Zealand bank account, IRD number and a tax identification number from their homeland country before the property titles can be transferred into their names. What’s more, the Real Estate Institute’s industry leaders agreed just last month to a voluntary “best practice” policy whereby they now recommend their members have buyers provide proper ID at the time of purchase.

But the core issue is this: real estate agents don’t operate under the same anti-money laundering, anti-terrorism regime that applies to many other “high-risk” professionals and business es, such as banks. For now at least, they remain exempt from the Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT Act), which would hold them to higher standards of accountability and impose harsh penalties on them if they breach those standards. Instead, real estate agents are supposed to report their suspicions under the old, lighter-weight Financial Transactions Reporting Act 1996. Do they? Hardly ever, if the latest publicly available figure is anything to go by. Police received just nine reports from real estate agents in 2009. An astonishingly low reporting rate, given that the following year the Police Financial Intelligence Unit’s National Risk Assessment report ranked property and other high-value asset purchases as the country’s second most popular money laundering vehicle – just behind electronic banking transfers.

Has the property and high-value assets category jumped to the number one spot on the money launderer’s popularity chart? Chances are, yes. While the banks have had to lift their game to comply with the AML/CFT Act – and scrutinise transactions more closely – the real estate industry hasn’t been required to do so. It’s seems inexplicable why the government chose to leave real estate agents off the list of professionals covered by that act – contrary to the requirements of the Financial Action Task Force (FATF), the global body which sets the anti-money laundering standards the world’s supposed to follow.

Did REINZ lobby the government for the exemption? “No at all,” says REINZ CEO Colleen Milnes. Whether or not laundered money has helped drive up our property prices we can’t say because no one in New Zealand has seriously asked, let alone researched, that question. But with billions of dollars laundered here every year, where do the corrupt prefer to park money of such magnitude? And how does their spending impact on our economy and, in particular, Auckland’s housing market? Interestingly, dirty money targets major cities, according to overseas research, says Pol. And it has a much bigger impact on those cities’ property prices than economists previously believed. (That’s because its effect is much more significant than the usual “income-multiplier” effect from legal earnings that economists are familiar with, he explains.)

The Aussies have woken up to the problem. Global crime syndicates are buying up expensive Australian real estate, says one of the country’s top crime-busting agencies, the Australian Crime Commission. Prompted by public concern over foreign investment in real estate, the commission has launched an investigation into money laundering and terrorism financing through real estate. It won’t yet say which countries the dirty money flows from. But the FATF’s just-released 2015 review of Australia’s anti-money laundering measures points the light at Australia and its offshore neighbors – and in particular China – as the likely sources of the “large amounts” of laundered loot being tossed into the perceived safe and convenient real estate market.

Meanwhile, Britain has woken up to a nightmare. There, an invasion of black money has likely pushed up average prices in London, particularly in high-value boroughs, creating a widespread ripple effect down the property-price chain, which extends beyond the city, according to a report from an anti-corruption agency, Transparency International UK. It identifies more than 36,000 London properties covering 2.25 square miles of central London as “dirty money targets” – making the capital one of the country’s two most popular场地 Laundering landscapes, behind electronic banking transfers. And the unwitting – or otherwise – real estate agent who facilitated these sales? “Even without actual knowledge that funds come from serious criminal activity, failing to spot well-known ‘red flags’ or ask obvious questions could land (real agents) in hot water,” the industry reported in its REINZ magazine two years ago. Those “red flags” include paying over the odds for a property and undue urgency to buy. What’s more, failing to “latch the lid on transactions that a reasonable business person would investigate may increasingly be regarded as negligent or reckless”. In short, sufficient to prosecute.

REINZ has been proactive in its anti-money laundering stance, says Milnes. It publishes a guide, developed with police assistance, alerting agents about what to look out for. Agents are “very cautious” about accepting cash deposits and instead request that funds be deposited into bank accounts. And while the real estate industry isn’t regulated in the same way as banks and other high-risk businesses, it takes its role within the anti-money laundering landscape seriously, she says. Nonetheless, a lot of the money launderers in New Zealand have been caught by agents relying on the advice of their lawyers or mortgage brokers telling them agents have held the view that funds coming into the bank, says Pol. Normally, a full amount. Meaning, the briefcase stuffed into a briefcase? $10,000? $100,000? Answer: $1 million. Not long ago, an individual turned up at a Kiwi lawyer’s office for a round sum that around that sum in bank notes. He thought he’d simply pass it over to his lawyer as final settlement for a property he’d bought. He was mistaken. The rather nervous lawyer advised his client that, er, no, he couldn’t pay with cash. So the buyer went away in huff, only to return a few hours later with a bank cheque for the full amount. Meaning, the briefing full of cash was still out there, somewhere. (Here’s an exercise for you. If you have a suspicious transaction report that goes to the Police Financial Intelligence Unit. But if he didn’t report, his firm could be held accountable.)
Like real estate agents, lawyers and accountants presently remain exempt from the latest anti-money laundering act, but they’re still obliged to report suspicious transactions. The world over, however, they hardly report any at all, the Financial Action Task Force found.

Whether such professionals realise it or not – and many don’t – they’re the money-launderers “enablers”. The “gatekeepers” protect the gates of the wider financial system through which launderers must pass if they’re to succeed, the FATF notes. For example, accounts could get away with a lot of what they get up to if it weren’t for lawyers, accountants, financial advisers and the like either knowingly, or unwittingly, helping them to launder and hide assets.

The vast majority of professionals are scrupulously honest, of course, and the financial transactions they handle entirely legitimately. But one of the difficulties they face “is knowing what to look out for”, when trying to spot laundering’s “dirty tricks”, says Pol, who advises organisations about their vulnerability to money laundering (see www.amlinsurance.com.au).

It’s impossible to say how many have been – and are being – duped. But picture this scenario, adapted from Pol’s unpublished research money arrives via electronic transfer in a law firm’s trust account, earmarked for a large-scale construction contract. A few days after the lawyer’s told the deal is off and asked to return the funds. Fearing he might be the target of an advance-fee scam operating out of a tin hut in Nigeria, he waits until the transaction clears before returning it. He doesn’t think to ask more questions.

Were his “clients” professional launderers, whisking billions of dollars around the planet for the likes of Albanian sex traffickers, Mexican drug lords or corrupt Russian officials? “Clients” who appreciated the legiti- mising-effect of having their money race like a speeding comet through a respectable Kiwi law firm? Too late now to find out.

Meanwhile, how much “bear no evil, see no evil, speak no evil” monkey business goes on among professional groups? We don’t know. But thanks to the AML/CFT Act, police now receive more suspicious transactions reports, among them reports of professionals facilitating “possible proceeds of crime through client accounts” and “abuse of business”. A further new assessment is under way. Meanwhile, the international agency for standard setting by the global body, the Financial Action Taskforce (FATF), comes from the National Risk Assessment issued by the Police Financial Intelligence Unit. Work on a new assessment is under way.

**LAUNDERED LOT AND THE LAW**

At least $20.5 billion is laundered in New Zealand every year, excluding tax evasion ($7 billion amounting to money laundering and excluding trade-based laundering – which is believed to be substantial (see The Trading Agency’s new report)). The estimate comes from the National Risk Assessment issued by the Police Financial Intelligence Unit. Work on a new assessment is under way.

Meanwhile, the international agency Tax Justice Network estimates New Zealand’s total shadow economy (including tax evasion, but excluding criminal activities such as drug dealing and smuggling) stands at $20.5 billion annually.

• The Anti-Money Laundering and Countering Financing of Terrorism Act (AML/CFT) Act came into full force in 2013. As part of our responsibility to adopting the standards set by the global body, the Financial Action Taskforce (FATF).

• The Act applies to “reporting entities” such as: banks, casinos, life insurers, financial services companies, building societies, credit unions, personal loan issuers, securities of trustees, employee share schemes, brokers, future dealers, some financial advisers and safe deposit businesses. • The Ministry of Justice has begun initial work on phase-two of the AML/CFT Act and will consider bringing “gatekeeper” groups such as real estate agents, lawyers and accountants under the act. Until this happens, our AML/CFT law does not fully comply with FATF’s requirements.

• “Reporting entities” are variously supervised by the Reserve Bank, Financial Markets Authority and Department of Internal Affairs.

• AML/CFT reporting “is increasingly contributing to and initiating investigations”, says Detective Superintendent Greg Williams. Suspicious transaction reports quadrupled between 2012-2013 and 2013-2014.

• Failure to comply with the AML/CFT Act carries a number of penalties, including criminal penalties of up to two years’ imprisonment, a $100,000 fine for an individual or a $5 million fine for a body corporate – much stiffer than under the older Financial Transaction Reporting Act (where offending can carry up to six months in prison and fines of up to $20,000 for an individual and up to $100,000 for a body corporate).

**The Casino**

The gambling den: the money launderers’ traditional temple. Professional launderers might get their stog- gies to pump cash through casinos. They sit there long enough to scour most of their money in winnings, minus the 13-16 percent the machines are programmed to retain. But not a bad return. Or they might load up the pokies with cred- it, cancel that credit and get their money back suitably “cleaned”. That’s how police believe methamphetamine magnate Royce Rongie largely laundered $882,000 worth of drug money over two years at Auckland’s SkyCity casino, the New Zealand Herald reported.

Duncan started serving his jail sentence in 2013, the same year their long-overdue Anti-Money Laundering and Countering Financing of Terrorism Act came into full force. It should be trickier to fool our casinos nowadays. Still, Australia has had its share of laun- dering laws for 25 years and yet a sweet- faced waiter-cum-drug-trafficker laundered up to one billion dollars through Melbourne’s Crown Casino – all too easily.

That he could evade detection at Australia’s largest casino for more a decade is “an indictment of the system that’s designed to stop this

kind of stuff”, laments money launder- ing expert Professor Jason Sharman.

Macau glows at the centre of the casino universe, a “temple to the acquisition of extreme wealth by any means necessary”, writes The Guardian’s Jonathan Kaiman.

With gambling illegal in mainland China, this tiny dot on China’s southeast coast, only eight kilometres square, doesn’t just do about five times the business of Los Vegas. It was a astonishing EUS202 billion worth of dirty money every year, a US congressional report noted two years ago. The movement of money through Macaus was “fuelled” by the Chinese junket system, acknowledged that same report, reiterating a widely stated view. The Chinese junkets are more than just holiday tour operators. They’re gambling promoters who lure wealthy Chinese gamblers – or “whales” – to casinos’ exclusive VIP rooms and in return collect commissions from the casino operators. These unique middle- men range in size from big corporations to one-man bands. And a number of junkets – who knows how few or how many are widely alleged to have links to or- ganised crime and serious violence – are often held by lone operators. Imagine you’re a corrupt Chinese of- ficial who’s embezzled pots of money.

You need to get it out of China as a safe haven where you can convert it into something secure – like property in a pleasant and law-abiding land where you can picture yourself retiring some day.

Or into a secret bank account in an off- shore tax haven until you figure out your next move. Problem is, China’s govern- ment regulations allow you to transfer only 20,000 yuan (US$3200) per person per day or a maximum of US$50,000 a year, out of China. Chicken feed.

No need to fret. You have options when it comes to circumventing the rules. You might deposit your ill-gotten gains with a junket in mainland China. Or get a junket to extend you a line of credit, something they’ll willingly do for high-rollers. Then you’ll take one of their gambling holidays to Macau. The junket will give you your money in ca- sino chips once you arrive. Once you’ve done having fun at the tables, you can cash in your unused credit and/or win- nings for a bank cheque or electronic transfer in Hong Kong or US dollars, ready for investment elsewhere.

But everyone knows President Xi Jinping is cracking down on corrup- tion and capital flight. VIPs are starting to avoid Macau, and so too are the jun- kets as their share of the casinos’ shrinking profits takes a hit.

Instead, they’re piling high-rollers onto planes to gambling destinations elsew- here. Like Sydney. Junkets’ VIP clients – mostly from mainland China – now account for a massive 84 per cent of high-roller gambling at Sydney’s only casino, The Star, accord- ing to a recent Bloomberg report.

Global Gaming Expo Asia, held in the gambling mecca of Macau, May 2015.

I asked New Zealand’s largest casinos if they’re seeing a rise in high-rollers. A few say yes. Such junkets bringing Chinese high-rollers to its VIP rooms?

“Of the groups we work with to bring international high-rollers to New Zealand, junkets contribute to a limited number of these guests,” said a spokes- person, adding that SkyCity only works with “licenced” junkets. The group are subject to standard visa approval pro- cesses. It falls to the Department of Internal Affairs to license gambling organisations and their representatives, as well as supervise casinos’ compliance with the AML/CFT Act. The DIA’s onsite review of SkyCity concluded there had been no significant steps undertaken and it is gradually operating at a high-level of compliance”.

**The Shells Game**

Fact: vast global networks of shell companies shield perpetrators of heinous crimes, terrorism and corrupt- ion. Sharman and his colleagues uncov- ered an international network of financial transactions that enables criminals to launder money and hide assets. They emailed 7400 incorporation agents in 180 countries who, for a fee, form companies on behalf of third parties. “We said, ‘we want a shell company and we don’t want people to know our business and we don’t want to pay much tax’,” he explains. Here’s one actual reply. [T]he state could well be a front for funding terrorism, and who the F*** would get involved in that? Seriously, if you wanted a functioning organisation you’d need someone here to put their name on it, set up bank accounts, etc. I wouldn’t even consider doing that for less that $5 a month. If you have a se- rious proposal, write it up and we will consider it.

Half the agents who replied didn’t ask for proper identification. Half of those didn’t require any ID documents at all. One in 17 would have obliged the financier of terrorism.

Sharman, who with his colleagues published their ground-breaking re- search in the book Global Shell Games, concluded: “The rules meant to govern
company formation doesn’t actually work very well. And rich, English-speaking countries do a worse job of applying the rules than almost everyone else, including developing countries.”

Two years ago, the British Virgin Islands, the Caribbean tax haven that’s officially home to about 900,000 companies, attracted more foreign direct investment than almost every place on Earth. Only the world’s top three super-powers – the US, China and Russia – attracted more. Not bad for a place with a population of just 30,000, huh? More recently, the BVI and other tax havens have slipped down the league table as launderers look elsewhere to “invent”, no doubt partly due to the leaking of documents revealing the identities of account holders by the International Consortium of Investigative Journalists.

Back here, our company registration rules have been well and truly exploited by the corrupt. One of our biggest shell company scandals came to light five years ago when a Georgian-registered cargo plane carrying $US18 million of dirty money through financial market vehicles: stocks, bonds, futures, foreign currency speculation and so forth. Most people’s lack of interest and knowledge around this stuff helps their money-laundering schemes go undetected, says a source. “In a trading environment where some professionals get paid per transaction, rather than a percentage of the ‘upside’, and where the scale has grown to a point whereby sums equiva-

lent to the world’s GDP are traded daily, extraordinary demands are made on human honesty. Add in that most trading is now software-driven at high speed and anything is possible.”

THE BANS

The first time 70-year-old Yvonne heard of anti-money laundering regulations was when she went to her bank to transfer $10,000 to her daugh-
er’s family in England. The anxious bank teller called his manager over to talk to her. He knew Yvonne well, but still asked her some prying questions before pro-

cessing the transaction. Kiwis can’t transfer more than a suspicious transaction report off-shore, the Royal Bank of Scotland tipped off the ASB. Yes, banks support one another – across banks and borders – in the war on dirty money. And, yes, anti-money laundering regulations might inconvenience you occasionally. But when weighed against the perils of doing too little to try to stem the flow of criminal capital, what’s the alternative?

THE ACT AT WORK

To meet their obligations under the AML/CFT Act, certain businesses and professionals – or “reporting enti-
ties” in the legal lingo – must have an anti-money laundering compliance program, designed to detect and deter money laundering and terrorism financing. They have to appoint a compliance officer (although there’s no spe-
cific training required to become one) and they must do due diligence on their customers. “Reporting entities” file sus-
picious transaction reports to the Police Financial Intelligence Unit – something they’re doing in increasing numbers. And that rise in reporting “is increasingly & contributing [to] and initiating invest-
gations,” into everything from scams and local drug distribution to complex trans-
ation cases involving co-operation with international partners, says Detec-
tive Superintendent Greg Williams. Still, actual prosecutions for money launder-
ing remain very low. The FUI is regarded as “a leader in assessment of strategic money-launder-
dering risk,” says Williams. It has 20 staff, including analysts and research-
ers, and a dedicated computer system with a database of all those suspicious transactions reports. Much more than that, police don’t seem to want you or me to know. Do you blame them?

Meanwhile, the AML/CFT Act itself remains, “shot through with holes and needlessly complex”, maintains Pol, who’s undertaking a political science doctorate into policy effectiveness and anti-money laundering. That said, he’s encouraged by a series of changes to it. As well as the Organised Crime and Anti-Corruption Bill currently before Parliament, he hopes that developing evidence-based policies and focusing on meaningful outcomes will one day turn New Zealand into an anti-corruption world leader, rather than a laggard.

On another encouraging note, ob-
serves Pol, “the old mentality of finan-
cial crimes being ‘too hard’ and the police instead focusing on the ‘products’ of crime [such as drugs] and overlooking the money trails which would lead them to more ‘products’ is slowly changing. Modern policing follows the money.”

Yet, worldwide, it’s believed less than one percent of laundered money is ever detected. And of the millions stolen, much of it has been laundered from the poorest nations. Profit-motivated crimes – in other words, most crimes – have cost billions of dollars every year and in some of the most despicable ways imaginable. If I was hoping Professor Sharman could foresee some light at the end of this dark tunnel, sadly, it was vain hope. From his global vantage point, right now, the criminals are winning and the enforcement agen-
cies losing.