

A CLOSER LOOK AT LEGISLATIVE LOOPHOLES

“Crime on a massive scale in Australia is a fairly recent phenomenon Governments were not ready, the police were not ready, and the community was not ready.”

THE building in of mechanisms in legislation to safeguard against fraud and abuse is one proposal the Government is examining in its massive fight against crime, the Special Minister of State, Mr Mick Young, said in Adelaide recently.

Mr Young, who is Minister representing the Australian Federal Police, was speaking at a Business Labor Lunch on “Fighting Crime in Australia”.

He said: “We cannot continue to pass laws without thought for the opportunities they present for criminal activity. We need to take into account the possible effect of legislation on the occurrence of organised crime and ability of criminals to circumvent legislative prohibitions.”

In his address, Mr Young said: “Crime on a massive scale in Australia is a fairly recent phenomenon, having evolved over the past 20 years. We were just not ready for what evolved.

“Governments were not ready, the police were not ready, and the community was not ready.”

Mr Young said that in the past decade there had been a number of Royal Commissions which had highlighted many aspects of crime and its insidious influences in society.

“The Moffit Royal Commission into organised crime in clubs in New South Wales turned many stones in that State and exposed some particularly unpleasant aspects of life there,” he said.

“Since then, we have had three Royal Commissions into drugs — Williams, Woodward and Stewart — the Stewart Royal Commission into the Activities of the Nugan Hand Group, and, of course, Australia’s most famous Royal Commission, the Costigan Commission, which finalised its work last year.

“These inquiries have left us with a wealth of information.”

Mr Young said criminal activity had become increasingly sophisticated and complex, crossing State and international borders.

“The crime bosses of today use the best advice available. Top flight accountants, bankers and lawyers are all too often at the disposal of crime czars who have built empires which rival any legitimate modern financial and corporate structure. Sophisticated laundering techniques have resulted in massive tax scams,

the flow of money around the world and general corruption within elements of the private sector,” he said.

“The high profits of crime often lead to corruption of the judiciary, law enforcement and executive arms of Governments.

“The cocaine business in the United States is illustrative. This business would rival Australia’s domestic economy for activity alone. It is a business which, according to U.S. Drug Enforcement Agency estimates, feeds some 19 million users in the States.

“It feeds off a crop in South American states which, in Bolivia alone, is worth \$2 billion annually. It is the kind of business which sees a bust as happened recently in Miami when \$600 million worth of cocaine was seized and a 747 jet belonging to the Bolivian Government impounded.

“In Miami there is a great amount of evidence that the banking system of that city is riddled with corruption as a result of the billions of black dollars which move locally as a result of the criminal activity.

“Australia is not immune from this pernicious activity. There is more and more evidence coming to light of widespread fraud against Government revenue. We have seen recently the enormous amount of taxation evasion and avoidance which has occurred.

“But there is also massive social security fraud taking place. Individuals and groups, families or otherwise, are defrauding the Commonwealth of millions of dollars using false names and addresses, false birth, marriage and naturalisation certificates.

“Two cases being investigated currently are frauds of \$125,000 and \$100,000.

“Another major crime against the Federal Government is income and sales tax evasion. One case being investigated in Victoria at the moment involves \$24 million in unpaid tax. Another in New South Wales involves \$22 million.

“However, one thing that has to be remembered about crime is that, as clever as politicians, bureaucrats, and police might think themselves to be in the fight against it, you can be certain that the criminals are always on the lookout for ways to out-smart you.

"This demonstrates the need for flexibility in policing in Australia; it is a task which already requires greater resources from Governments in terms of police training and recruitment. Police are going to have to develop the ability to learn quickly, move quickly, develop new techniques and methods. We cannot afford to have police forces which are two steps behind the crime czars.

"It is obvious that normal police practices are not enough for this battle. The police need specialised support mechanisms. They need people skilled in law, accountancy, taxation, banking and computers. Australia cannot, in this climate, continue to operate as eight separate countries as far as law enforcement is concerned. State boundaries are a problem in a

Federation like ours. There is, however, a growing realisation that a united, uniform approach is needed.

"More and more co-operation and co-ordination between and within jurisdictions is happening in Australia. It is the only realistic way to go."

Mr Young said that since the New South Wales-Federal Joint Task Force on drug trafficking was set up in 1979, more than 200 offenders had been apprehended, mostly in connection with supply and importation of heroin.

"The Joint Task Force has been responsible for breaking up 16 major heroin importing groups," he said. "The Tax Office, through the JTF's work, has recovered more than \$5 million in understated income or additional taxation.

"One of the major problems Governments have to grapple with is the relatively high level of public acceptance of illegal drugs. It is perhaps an indictment of our society that this kind of drug abuse is tolerated, often encouraged. Really, the only weapon we have to combat this aspect of the drug subculture is by public education campaigns.

"If we look at Italy, a country which has one of the most serious drug problems in Europe among is young, we see that as well as mounting a massive suppression campaign by the police, the authorities are saturating the media with anti-drug propaganda. The Italians believe that a great deal more needs to be done to promote positive alternatives to drug abuse and to highlight the personal cost of this activity."

Mr Young said that control of organised crime in Australia was one of the great challenges facing the Australian people.

"The fact is, almost every significant group in our community has played its part in nurturing crime. The lawyers with their advice, the accountants with their tricks, the politicians by their greed. And yes, even business people who were attracted to many of the sleazy schemes and the quick dollar that were put before them over the past few years," he said.

"History, I believe, would teach us that it would be too much to expect us to be able to conquer the evil. But there is absolutely no excuse now, with the knowledge that we have, for not launching an all-out attack on the level of crime in Australia today," he added.



• The Special Minister of State, Mr Mick Young.