



**Asia-Pacific
Economic Cooperation**

**APEC Capacity-Building Workshop:
Formulating Strategies for Strengthening Interagency Mechanisms for
Combating Corruption Related to Money Laundering**

REPORT

21 – 23 October 2009

**Royal Sheraton Orchid Hotel
Bangkok, Thailand**

OPENING CEREMONY

KEYNOTE PRESENTATION

**1. Building the Political & Institutional Will to Combat the Laundering of Corrupt Money
Hon. Roy Cullen, *GOPAC***

The process of managing anti-corruption and anti-money laundering is slow and sometimes seems not to exist. The measurement of corruption in an absolute sense is difficult and almost impossible, even when done by a skilled organization like Transparency International.

Mr. Cullen posed 3 important questions:

1. Is what has happened to Indonesia's KPK because they have uncovered many uncomfortable truths?
2. Was the SCORPION (South Africa) disbanded because it made life more difficult and uncomfortable for government leaders and senior officials in the economy?
3. Was the organization of Account Chamber of Russian Federation restructured from reporting to the State дума (the lower house) to the office of President so that the executive branch of the Russian Federation could directly manage the works of this body?

Even though many positive things are happening in the fight against corruption and money laundering, the answers to those 3 questions are "yes"

Also, corruption is difficult and impossible to measure. However, the International Monetary Fund in 1998 placed a value of money laundering, including the money laundering of corrupt funds, of between US\$800 Million – 2 Billion annually. Transparency International recently indentified the top ten most corrupt contemporary political leaders, including Suharto from Indonesia, Abacha from Nigeria, Sese Seko from Zaire, Duvalier from Haiti, Marcos from Philippines. Collectively, according to TI, about 45 Billion USD was embezzled by these top ten,

an amount which could develop schools, hospitals, buy vaccines and help alleviate poverty in their economy.

Global Organization of Parliamentarians against Corruption (GOPAC) is chaired by Mr. Naser Al-Sane from Kuwait and the global secretariat is based in Ottawa, Canada. GOPAC is leading the fight against corruption and money laundering on parallel tracks. Regimes that lack systems of accountability and transparency allow for high levels of money laundering and corruption.

Top 8 Exacerbating Factors in the Laundering the Corrupt Money and the Recovery or Repatriation of Stolen Assets:

1. Executive branch of Government may not be motivated to enact MLA legislation and establish FIUs if the President/Prime Minister and Ministers themselves are involved in corruption. Parliamentarians need to be more actively engaged in the fight against ML. Grand corruption and high levels of money laundering are perpetrated mainly by the executive branch of government because they have great power. Therefore the President, the PM, Minister and senior officials are the prime targets for those who bribe and launder corrupt money.
2. Global efforts on money laundering today focus on the money laundering of drug money and the prevention of financing terrorist activities, and tax evasion. Efforts need to be refocused on preventing the laundering of corrupt money because corruption prevents economies from moving out of poverty
3. Laundering of corrupt money will seek out the regimes with the weakest anti money laundering systems. Do we need to build on UNCAC and bring in an international convention against money laundering?
4. FIUs may not be adequately financed and mandated notwithstanding enabling legislation. Some FIUs are indeed corrupted themselves
5. Getting protocol right for Politically Exposed Persons (PEPs) is more than just defining what PEPs are and monitoring their transactions but goes beyond this. How do we ensure the independent assessment of suspicious transactions initiated by PEPs?
6. Despite KYC efforts, Financial Institutions are inherently in a conflict of interest situation when corrupt leader seeks to make personal deposits in their jurisdictions.
7. In Asset Recovery Initiatives, politicians may embark on partisan visions under the guise of recovering corrupt assets. By the same token, international financial institutions or offshore banks will demand bank account numbers.
8. Jurisdictions may not cooperate with those who are attempting to recover corrupt assets, regarding it as international interference.

Parliamentarians play a key role in term of budgetary approval and can use this power more effectively to make governments more accountable and more transparent in their dealing. In the area of oversight, parliament, through the Auditor General or Public Account Committee, can be very proactive in holding governments to account. In representation, the combination of public collaboration and consensus building within parliament as well as engagement of citizens and civil society in matter of Public policy is also a role that parliamentarians can play.

Also, Civil Society has a vital role in demanding that the judiciary is not corrupt and protesting against corrupt acts by government leaders and parliamentarians. Parliamentarians are able to build consensus and coalition with international agencies, civil society, media and experts and play a major part in preventing Corruption and ML.

GOPAC is working to improve collection financing rule and another democracy-building initiative. We are working to make parliamentarian more credible to citizen through an ethics and conduct handbook for parliamentarians. GOPAC has also done some works on eliminating parliament immunity for people can be elected and be immune from prosecution. This policy positions are armed by parliamentarians around the world and continue to evolve this on our work

In the fighting against ML, GOPAC builds partnerships with organizations like the World Bank, IMF, Egmont Group and the FATF. There are some policy prescriptions that we should collectively give consideration to. We can work with banks and FIUs on KYC initiatives and participate in joint training activities with engagement of Parliamentarians in fighting ML. Moreover, we can better educate the public worldwide on the cost of the negative impact of bribery and corruption.

The challenge before us, as President Barak Obama recently said, is that “Change will not come if we wait for some other person or some other time”. We are the ones we've been waiting for. We are the change that we seek.