

HD **China** Enlists Australia in the Hunt for Wealthy Corrupt Officials Abroad

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The **Chinese** government is ramping up a global hunt for economic fugitives who, having once been some of the Communist Party's most powerful and trusted allies, are now on the run from corruption charges. The fate of those who are hiding out in Australia, Canada, and the United States might be decided when national leaders meet at the Asia-Pacific Economic Cooperation forum this week in Beijing. In July, **China**'s authorities launched a police operation called Fox Hunt 2014 to track white-collar criminals who had fled the country, most of whom were either corrupt government officials or business people. Since then, the manhunt has targeted as many as 18,000 fugitives, with 20 teams of investigators dispatched to neighboring countries. Some 180 people have been captured, according to a recent report from Xinhua News Agency. It's open season on corrupt officials in **China**. Read more here. Corruption suspects taking flight have long been a problem for **China**.

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Global Financial Integrity, a Washington, DC-based nonprofit organization that monitors the illegal movement of money, estimates that **China** lost \$1.08 trillion to illicit outflows between 2002 and 2011. **Chinese** citizens are prohibited from taking more than \$50,000 out of the country per person annually " but that doesn't keep them from doing so. From April 2011 to early June 2012, international airports in Toronto and Vancouver seized around \$13 **million** in undeclared cash from **Chinese** nationals. Most of this cash was returned after Canadian border officials levied fines of a few thousand dollars for concealing the money. A recent **China** Daily piece about the popularity of the United States, Canada, and Australia as choice destinations for fugitive party officials noted that they are attractive for their high life quality and education, and their judicial cooperation with **China** is insufficient. Gao Yan, a former party secretary of Yunnan province and the CEO of a major **Chinese** power utility who is among the most notorious of the country's runaway criminals, is believed to have been holed up in Australia since 2002. A report in 2004 noted that the utility lost nearly \$1 **billion** from mismanagement and fraud during his tenure, and an audit found that it had illegally misspent approximately \$3.4 **billion** in state funds. Gao allegedly fled the country with \$121 **million**. By rooting out corruption, **China** is risking its **oil**. Read more here. A lot of the corrupt officials feel that Australia's not quite as aggressive, either [in] trying to get personal income taxes or investigating, Shaun Rein, the managing director of the **China** Market Research Group, recently remarked to ABC News in Sydney. A lot of these officials will keep several identities; they're never really reporting their taxes to anyone appropriately. Many **Chinese** have strong business ties in Australia, and one can virtually **purchase** residency via the Significant Investor Visa (SIV). Under the SIV program, an investor can be approved to receive a minimum of 4 years residency in exchange for an investment in the Australian economy totaling at least 5 **million** Australian dollars (about \$4.3 **million** USD). As of July, **Chinese** emigrants made up 88 percent of the 343 people who had received the special visa, having invested over a **billion** Australian dollars into its economy. Australian Prime Minister Tony Abbott, something of an anti-immigration hawk, announced three weeks ago that he would expand the program. The Government will reform the programme to encourage more high net worth individuals to make Australia home and to leverage and better direct additional foreign investment, while maintaining safeguards to ensure the migration programme is not misused, his government said in a statement. A proposed Premium Investor Visa would trade permanent residency within 12 months in exchange for investors meeting a minimum threshold of 15 **million** Australian dollars. **China**'s state-run CCTV has alleged that Australia's investor visa program enables money laundering. Because **Chinese** law allows its citizens to place only \$50,000 USD overseas per year, transferring several **million** dollars out of the country as required under the visa is simply illegal. A recent CCTV investigative report focused on the Bank of **China**'s purported role in abetting dubious transfers. The money is very safe and will leave the country in a very grey channel, said an unnamed source represented as being a senior manager at a major Australian bank. The Bank of **China** is the same as an underground bank. **China** will re-educate government officials to remind them that Communism is awesome. Read more here. In mid-October, **Chinese** Foreign Ministry spokesman Hong Lei was asked about the changes to Australia's investor visa program. We hope that we can work together with the Australian side and have Australia's cooperation in

this regard, he said. The corrupt should find no safe haven in foreign countries. Just days later, the Australian Federal Police confirmed that it had reached a deal to assist Operation Fox Hunt investigators in seizing the assets of corrupt **Chinese** officials. All criminals will always go where the weakest link is, Commander Bruce Hill, who manages Australian Federal Police **operations** in Asia, told the Sydney Morning Herald. In the interim we're trying to develop strategies to make sure these people don't think they can just go to Australia and live happily ever after. Hill's force will be focusing on a priority list of fugitives that was selected in collaboration with **China**'s Ministry of Public Security from a larger list of fewer than a hundred people. This is an exhilarating development, almost with milestone significance, an editorial in the Shanghai Daily gushed soon afterward, for it suggests that **China**'s anti-graft campaign is finally being assisted by at least a few Western countries. **Chinese** President Xi Jinping has made combating corruption a centerpiece of his administration. In a globalized economy, it's no surprise that his effort has gone international " but he needs the cooperation of the west for his campaign to be effective.

CO aufpol : Australian Federal Police

NS gcorr : Corruption | gfinc : Financial Crime | gpol : Domestic Politics | gcat : Political/General News | gcrim : Crime/Courts | gpri : Politics/International Relations

RE china : China | austr : Australia | cana : Canada | usa : United States | apacz : Asia Pacific | asiaz : Asia | ausnz : Australia/Oceania | bric : BRICS Countries | chinaz : Greater China | devgcoz : Emerging Market Countries | dvpcos : Developing Economies | easiaz : Eastern Asia | namz : North America

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