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Committee Secretary

Senate Legal and Constitutional Affairs Committee

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## TI AUSTRALIA SUBMISSION TO THE LEGAL AND CONSTITUTIONAL AFFAIRS REFERENCE COMMITTEE INQUIRY INTO THE ADEQUACY AND EFFICACY OF AUSTRALIA'S ANTI-MONEY LAUNDERING AND COUNTER-TERRORISM FINANCING (AML/CTF) REGIME

### ANNEX

## MONEY LAUNDERING CASE STUDIES

- Sudanese General, James Hoth Mai Nguoth:  
Purchased a A\$1.5 million house in his son's name in Victoria in 2014 despite earning just A\$60,000 a year in the Sudan People's Liberation Army.<sup>1</sup> In the 'War Crimes Shouldn't Pay' report, it was noted that top officials in South Sudan have "managed to accumulate fortunes, despite modest government salaries" while the country was divided by a civil war.<sup>2</sup>
- Malaysian Banker, Yeo Jiawei:  
Is currently incarcerated in Singapore for laundering money linked to the 1Malaysia Development Berhad (1MDB) scandal. He reportedly used a foreign-based company to purchase properties costing A\$8.2 million on Queensland's Gold Coast.<sup>3</sup>

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<sup>1</sup> Melissa Davey, 'South Sudanese general paid \$1.5m for Melbourne home, says war profiteering report', The Guardian, 15th September 2016; <https://www.theguardian.com/australia-news/2016/sep/15/south-sudanese-general-paid-15m-for-melbourne-home-says-war-profiteering-report>

<sup>2</sup> The Sentry, War Crimes Shouldn't Pay: Stopping the looting and destruction in South Sudan; [https://cdn.thesentry.org/wp-content/uploads/2016/09/Sentry\\_WCSP\\_Finalx.pdf](https://cdn.thesentry.org/wp-content/uploads/2016/09/Sentry_WCSP_Finalx.pdf)

<sup>3</sup> Joshua Robertson, 'Banker caught up in Malaysian 1MDB scandal went on \$8.2m Gold Coast property splurge', The Guardian, 13th January 2017; <https://www.theguardian.com/australia-news/2017/jan/13/banker-caught-up-in-malaysian-1mdb-scandal-went-on-82m-gold-coast-property-splurge>



- Onn Mahmud, brother of the then Chief Minister of Sarawak in Malaysia:  
Had a property portfolio of Sydney commercial and residential property worth an estimated \$100 million.<sup>4</sup> In one deal, he sold an apartment development site in Sydney's Potts Point, 10 Wylde Street, for \$15.5 million in 2007, realising a profit of \$10.8 million.
- Hon. William Marra Duma, Minister of Parliament PNG:  
Brisbane house and three Australian banks at the centre of a money laundering probe into a \$US10.3 million payment made by the ASX-listed Horizon Oil to a company linked to a senior minister in Papua New Guinea.<sup>5</sup>
- Bo Zhang, Chinese National:  
Purchased six houses in Mosman worth \$37 million. He did not live in any of them. He also bought a further \$1.2 billion of hotel, apartment, and retail developments in Sydney and on the Gold Coast.<sup>6</sup>
- Brian O'Neill, son of ousted PNG prime minister Peter O'Neill:  
Living in a \$13 million property in Wolseley Road, Piper Point in July 2019. The property was held in the name of Theophilus Constantinou, a close associate of Peter O'Neill.<sup>7</sup>
- 2 Chinese Nationals:  
Australian Federal Police (AFP) issued a media release stating they had restrained \$17.3 million of assets related to two Chinese nationals. AFP alleged that the two Chinese nationals

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<sup>4</sup> Mark Baker, 'Tycoon dodges millions in land tax', The Sydney Morning Herald, 23 April 2013; <https://www.smh.com.au/national/tycoon-dodges-millions-in-land-tax-20130427-2ilmn.html>

<sup>5</sup> 'Brisbane Riverfront House at Centre of PNG Corruption Probe', PNG Facts, 13/4/2020; <https://www.pngfacts.com/corruption-news/brisbane-riverfront-house-at-centre-of-png-corruption-probe>

<sup>6</sup> Edmund Tadros, Angus Grigg and Neil Chenoweth, 'Dirty money spotlight on estate agents', The Australian Financial Review, 11 November 2019; <https://www.afr.com/property/residential/dirty-money-spotlight-on-estate-agents-20191107-p538ay>

<sup>7</sup> Angus Grigg, Lisa Murray and Jonathan Shapiro, 'Son of ousted PNG PM living in \$13m Sydney waterfront home', The Australian Financial Review, 11 July 2019; <https://www.afr.com/policy/foreign-affairs/son-of-ousted-png-pm-living-in-13m-sydney-waterfront-home-20190710-p525ut#:~:text=The%20middle%20son%20of%20ousted,his%20father's%20time%20in%20office.>



moved about \$23 million of fraudulently obtained funds from China since late 2012, used to purchase numerous properties in Melbourne and Tasmania.<sup>8</sup>

- Eremas Wartoto, politically connected PNG businessman:  
PNG Taskforce Sweep charged him with the misappropriation of \$5 million. He was charged over the “payment of K7.9m [\$3.2 million] of RESI [Rehabilitation Education School Infrastructure] funds allocated for Kerevat NHS [National High School]”. He had 5 properties in QLD.<sup>9</sup>
- Taib family, family of the previous Sarawak governor Taib Mahmud in Malaysia:  
Bruno Manser Fonds issued a report alleging that the Taib family from Malaysia had been able to launder millions of dollars into Australia through the purchase of the Hilton Hotel in Adelaide.<sup>10</sup>

We hope that this annex will prove to be of benefit to the important work of your committee.

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<sup>8</sup> Australian Federal Police, ‘\$17.3m restrained in AFP investigation into Chinese nationals allegedly laundering proceeds of crime’, Media Release, 31 October 2019; <https://www.afp.gov.au/news-media/media-releases/173m-restrained-afp-investigation-chinese-nationals-allegedly-laundering#:~:text=A%20supersized%20mansion%2C%20residential%20development,allegedly%20launderin%20proceeds%20of%20crime>.

<sup>9</sup> Sarah Elks and Rowan Callick, ‘Property of PNG fugitive seized’, The Australian, 15 May 2013; [https://www.theaustralian.com.au/subscribe/news/1/?sourceCode=TAWEB\\_WRE170\\_a\\_GGL&dest=https%3A%2F%2Fwww.theaustralian.com.au%2Fnational-affairs%2Fimmigration%2Fproperty-of-png-fugitive-seized%2Fnews-story%2F5cfb59a0be62f0f39a4344f2d9ebee71&memtype=anonymous&mode=premium](https://www.theaustralian.com.au/subscribe/news/1/?sourceCode=TAWEB_WRE170_a_GGL&dest=https%3A%2F%2Fwww.theaustralian.com.au%2Fnational-affairs%2Fimmigration%2Fproperty-of-png-fugitive-seized%2Fnews-story%2F5cfb59a0be62f0f39a4344f2d9ebee71&memtype=anonymous&mode=premium)

<sup>10</sup> Bruno Manser Fonds, ‘The Adelaide Hilton Case. How a Malaysian politician’s family laundered \$30 million in South Australia’ September 2015; [https://d3n8a8pro7vnm.cloudfront.net/bobbrownfoundation/pages/562/attachments/original/1446441198/BMF\\_Adelaide\\_Hilton\\_final.pdf](https://d3n8a8pro7vnm.cloudfront.net/bobbrownfoundation/pages/562/attachments/original/1446441198/BMF_Adelaide_Hilton_final.pdf)

<https://www.smh.com.au/business/allegations-family-of-malaysian-billionaire-taib-mahmud-laundered-money-in-australia-20150908-gjvh0w.html>