

**Parliamentary Joint Committee**

**Integrity of overseas Commonwealth  
law enforcement operations**

AFP Submission  
March 2012

## **Introduction**

One of the key strategic objectives for the AFP is to safeguard Australia's economic interests from criminal activities such as serious fraud, money laundering, corruption, intellectual property crime and technology enabled crime.

To achieve this and the AFP's other objectives, the AFP seeks to maintain and enhance a professional culture based on its core values so the community can be confident in the AFP wherever it is operating. To achieve this, the AFP seeks to maintain a high standard of corporate governance, including risk management, legislative compliance and fostering a culture of continuous improvement.

The AFP is actively engaged with development of a whole of government Anti-Corruption Plan and in continued improvement of the AFP Fraud Control and Anti-Corruption Plan.

The AFP welcomes the opportunity to make a submission to this Inquiry. This submission provides background to the AFP's overseas operations and addresses the Inquiry's terms of reference.

## **Background**

The AFP was established in 1979 through the amalgamation of the Commonwealth Police, the Australian Capital Territory Police and later, the Federal Narcotics Bureau. At that time Australian law enforcement officers were posted to three overseas locations in Bangkok, Kuala Lumpur and Jakarta. Since that time the AFP's overseas operations have increased and changed.

The breadth of AFP international activities is immense and encompasses:

- Co-ordination of complex international investigations;
- Co-operation with international partners to combat the threat of terrorism;
- Participation in peacekeeping missions;
- Support for international police capacity development;
- Contribution to international disaster relief exercises; and
- Provision of close personal protection for Australian dignitaries travelling abroad.

The two key elements of the AFP's overseas operations through which these activities are delivered are the AFP international network and the AFP International Deployment Group.

### The AFP International Network

The AFP presence overseas in Australia's diplomatic missions provides a law enforcement resource which delivers valuable strategic and operational outcomes for all Australian governments and contributes to the overall objectives of each post where the AFP is present or accredited. The AFP's presence overseas is consistent with its functions as described in the *Australian Federal Police Act 1979(Cth)*.

AFP officers at post deliver outcomes in accordance with the Commonwealth Government's policy and objectives with respect of serious and organised crime, counter terrorism, security and transnational crime (including people smuggling, money laundering and cybercrime).

The Australian Federal Police (AFP) provides a first point of contact for overseas law enforcement enquiries, via its International Liaison Officer Network and its role as the National Central Bureau for Interpol in Australia. Within these functions, the AFP can facilitate enquiries around the world, across all crime types ranging from transnational crimes to routine enquiries and coordination arrangements.

The AFP conducts enquiries on behalf of all Australian State and Federal law enforcement agencies and cooperates with other Australian Government departments domestically and abroad to ensure a whole-of-government approach to fighting crime at its source.

The AFP's International Liaison Officer Network has over 85 AFP appointees in 30 countries, incorporating 30 Posts and 9 offices around the world.

This network is available 24-hours-a-day, seven-days-a-week to support enquiries from international and domestic partner agencies.

AFP International Liaison Officers are the Australian Government's law enforcement representatives overseas.

The three key elements to the AFP's role internationally are:

- collaboration - brokering collaboration with international law enforcement agencies to drive investigations and support bilateral or multi-lateral cooperation
- intelligence gathering - collection and exchange of criminal intelligence in support of international law enforcement efforts
- capacity building - enhancing the capacity and the capability of international law enforcement agencies to combat transnational crime.

The role of the AFP as the Interpol National Central Bureau for Australia complements the role of the AFP International Liaison Officers, particularly in countries where the AFP does not have a permanent presence. Many other routine enquiries that do not require specific police-to-police engagement can be undertaken through Interpol's extensive network. This includes, for example, criminal history checks, background enquiries, fingerprint comparisons or compassionate welfare notifications.

The role of the AFP International Network focuses on direct police to police engagement. AFP Officers are also seconded to non-law enforcement agencies to assist them in providing law enforcement advice, support for capacity building initiatives and assistance in fostering and building multi-lateral partnerships for the benefit of all stakeholders.

AFP activities are wide ranging. Activities include advisors and intelligence analysts embedded into People Smuggling investigative teams in Malaysia and Indonesia; the advisor attached to the Jakarta Cybercrime Centre as well as the Transnational Crime teams in Ho Chi Minh City, Phnom Penh, Manila and Bangkok. Counter terrorism officers work alongside their counterparts in London and Washington.

The AFP International Network brokers collaboration with international law enforcement agencies to drive investigations in Australia as well as joint investigations with international partners. In addition, the International Network supports bilateral or multilateral cooperation on behalf of all Australian State, Territory and Federal law enforcement agencies. The Network collects and exchanges criminal intelligence, as well as enhances the capability of international law enforcement agencies to combat crime. The Network also works offshore with Australian agencies.

In the Pacific, the AFP supports the Pacific Transnational Crime Network (PTCN). The PTCN was established under the auspices of the Pacific Islands Chiefs of Police. The Australian Federal Police (AFP) developed the PTCN in 2002 to provide a proactive, transnational criminal intelligence and investigative capability to Pacific region law enforcement agencies. The PTCN primarily consists of the Pacific Transnational Crime Coordination Centre (PTCCC) based in Samoa, which acts as a hub for the Transnational Crime Units (TCU's) based in Solomon Islands, Papua New Guinea, Kiribati, Samoa, Vanuatu, Fiji, Tonga, Federated States of Micronesia, the Cook Islands, Niue, Palau, Commonwealth of Northern Mariana Islands and the Republic of the Marshall Islands. TCU's are staffed by Pacific Law Enforcement Agencies including Police, Customs and Immigration.

The Pacific Transnational Crime Coordination Centre (PTCCC) is the hub of the PTCN, and was first established in Suva in June 2004. Due to political difficulties in Fiji in December 2006, the PTCCC was relocated to its current location in Apia, Samoa in 2007. The PTCCC has the primary role of facilitating the collection, collation, analysis, and dissemination of law enforcement intelligence received from TCU's and other sources. The PTCCC is staffed by TCU member countries that provide members on medium term secondments.

The PTCN is supported by the AFP International network through the attachment of an AFP member as full time advisor to the PTCCC and an AFP member as part time advisor to the Micronesia TCU (MTCU). The advisors support the development and provision of regional transnational criminal intelligence and investigative capabilities. The AFP also provides financial support for the day to day operations of the PTCC and TCU's.

The AFP International Network, through its Law Enforcement Cooperation Program, funds four Transnational Crime Teams (TCTs). These are located in Thailand, Cambodia, Vietnam and Colombia. The main objective of the TCTs is the development of law enforcement partners' capability to effectively combat organised crime activities that threaten the mutual interest of both Australia and host countries.

Interconnectivity exists between Pacific and Asian Transnational Crime Networks through developing and fostering of relationships, and lines of communication between the two on international criminal matters.

#### Jakarta Centre for Law Enforcement Cooperation (JCLEC)

JCLEC is located within the INP Academy (AKPOL) in Semarang. The establishment of the Centre was announced by the Indonesian and Australian Governments in February 2004.

JCLEC has been jointly managed by the INP and AFP since 2004. Since opening on 04 July 2004, JCLEC has trained over 10,000 participants from forty-nine (49) countries.

JCLEC is a resource for the South East Asian region in the fight against transnational crime, including counter-terrorism. JCLEC coordinates and facilitates a range of training programs, including seminars and workshops. The establishment of this training and education institution by Indonesia and Australia has assisted regional governments meet their security interests.

With the assistance of other donor countries JCLEC offers operational support and capacity-building assistance to Indonesian and other regional law enforcement agencies in the ASEAN region in dealing with all aspects of transnational crime, including terrorism.

#### The AFP International Deployment Group

Established in February 2004, the International Deployment Group (IDG) provides the Australian Government with a standing capacity to deploy Australian police domestically and internationally to contribute to stability and capacity development operations. The IDG contributes to Australia's United Nations (UN) commitments, as well as regional security and rule of law interests, in particular through partnership programs with national police services.

In terms of UN missions, the AFP is deployed to Cyprus, South Sudan and Timor-Leste. The AFP contributes 15 police officers to the UN Peacekeeping Force in Cyprus (UNFICYP). Australia is the only country that has continued to provide police to UNFICYP since the commencement of the mission in 1964. AFP members assist in maintaining the integrity of the buffer zone between the Greek and Turkish Cypriot communities. Members also support the Civil Affairs Branch of the mission to deliver humanitarian services.

The AFP has contributed 10 police officers to the UN mission in Sudan since March 2006. AFP members perform roles as police mentors, specialist advisers, planners and trainers. Following the secession of the south of Sudan in July 2011, the UN continues to support the nation-building processes of the Republic of South Sudan and Australia's policing contribution has been reassigned to the new United Nations Mission in South Sudan (UNMISS).

The AFP maintains a contingent of 50 members to the United Nations Integrated Mission in Timor-Leste (UNMIT). The primary role is the support, mentoring and capacity building of the PNTL. The mission will draw down after the Parliamentary

and Presidential elections scheduled for 2012 with a planned exit of UN Police by 31 December 2012. It is anticipated the UN will maintain a presence in Timor-Leste, although it is yet to be determined what form this will take.

The AFP has capacity development initiatives in place in Afghanistan, Vanuatu, Samoa, Tonga, Papua New Guinea, Nauru, Solomon Islands and Timor-Leste.

In Afghanistan, the primary objective of the AFP deployment is to train, develop and mentor Afghan National Police (ANP) members in Uruzgan Province in conjunction with Afghan coalition efforts. Since May 2010 the AFP presence has remained constant at 28 members.

The transition to the next phase of the Vanuatu Police Force (VPF) Capacity Building Project under the Vanuatu–Australia Police Project (VAPP) took place in February 2011. The project's outcomes are delivered against the VPF Commissioner's priorities and planning targets with a focus on institutional reform and capacity development. In support of these activities, eight AFP long-term advisers are deployed to the project on a rotational basis. Short-term advisers are also deployed on a needs basis. Priority areas for VAPP are training & professionalism of the VPF, infrastructure, assets & logistics, workforce renewal and internal VPF governance.

The Samoa–Australia Police Partnership operates within the framework of the Samoa–Australia Partnership for Development. The partnership is founded on an institutional relationship between the Samoa Police and Prison Service and the AFP within the broader context of external support to Samoa's law and justice sector. Objectives of the partnership include improving public safety through improved investigations and general policing, enhancing Samoa Police and Prison Service ability to respond to and positively shape community perceptions of police and improving Samoa Police and Prison Service corporate support capacity to facilitate its deliverables.

The AFP deployed to Tonga in 2008 as part of the trilateral Tonga Police Development Program being conducted in partnership with Tonga and New Zealand. Three AFP members, in partnership with two New Zealand Police members, have supported the Police Commander and have contributed towards achieving the program's goal of professionalising the Tonga Police. The program has also been supported by short term AFP staff on specific projects such as the police intelligence review, preparation of the 'True cost of policing' report, the development of police policy and scoping for Tonga Police marine asset options.

In collaboration with the Royal Papua New Guinea Constabulary (RPNGC), the Papua New Guinea – Australia Policing Partnership is progressing projects aimed at supporting the long term development and reform of the RPNGC with a current focus on the areas of training, logistics, professional standards, information management and forensics. The AFP is also providing support to the RPNGC in its preparations for the conduct of the 2012 national elections in PNG. This support includes assistance in rehabilitating the RPNGC radio communications network and the delivery of training in command and control, public order management and the use of less lethal force.

The Nauru Police Force Police Capacity Program was designed to address a range of issues affecting the Nauru Police focusing on mentoring and capacity development. AFP officers perform the roles of police commissioner, operations adviser and logistics officer. Succession planning has commenced to address the National Sustainable Development Strategy short-term milestone of appointing a Nauruan commissioner of police by 2012. An AFP funded Nauru Police Headquarters building was officially opened at the beginning of August 2011.

Regional Assistance Mission to Solomon Islands (RAMSI) is a multinational mission to which Australia, New Zealand and Pacific Islands Forum nations have contributed since the assistance mission commenced in July 2003. The Participating Police Force (PPF) is an Australia-led force consisting of police and technical specialists from contributing countries and forms part of the broader RAMSI Law and Justice Pillar.. RAMSI supports the RSIPF in promoting the rule of law across Solomon Islands and enabling RSIPF organisational policies and directions. These initiatives support leadership, policy, community engagement, community trust and confidence and organisational change management. The mission is focused on enabling an effective, accountable and appropriate police force for Solomon Islands.

The AFP also undertakes capacity development in Timor-Leste through the Timor-Leste Police Development Program (TLPDP). This includes police training, in particular through Investigations training and Executive Management Development courses accredited through the Timor-Leste Ministry of Education.

#### Integrity Framework – offshore

The AFP's leadership framework which encompasses a values based culture and clear strategic and operational direction drives high levels of performance and accountability. From significant external oversight to individual performance management, AFP governance and decision-making supports a corruption resilient culture.

All AFP members who deploy off shore remain subject to the same integrity regime as exists for staff based in Australia. The AFP complaint management framework is drawn from Part V of the *Australian Federal Police Act 1979*. This framework is a four-tiered model made up of:

- Category 1 conduct (minor management, customer service and performance matters);
- Category 2 conduct (Minor misconduct and unsatisfactory performance);
- Category 3 conduct (serious misconduct that do not involve corruption but may give rise to employment termination, involve breaches of criminal law and serious neglect of duty); and
- Allegations of corrupt conduct against AFP appointees (category 4).

The types of conduct captured by categories 1, 2 and 3 are set out in Australian Federal Police Categories of Conduct Determination 2006 (Attachment 1).

## Prevention

AFP appointees deploying overseas remain subject to the professional standards of the AFP. AFP appointees deploying offshore are subject to an integrity gateway as part of the recruitment process. Appointees will only be deployed when the delegate is satisfied that there are no outstanding misconduct issues or past misconduct issues that could impact on the offshore role to be performed and the reputation of the AFP.

To supplement the AFP integrity framework as an anti-corruption strategy, overseas deployments have a particular tenure linked to their specific roles and locations. For example, officers attached to the International Network have tenure at one particular post as a base two years deployment. Additional tenure of 12 months plus a further 12 months, resulting in a possible four year maximum is based on management satisfaction in respect of performance and integrity.

Beyond existing prevention measures within the AFP, staff deploying overseas are subject to targeted education and awareness programs that relate to the AFP integrity framework and its relevance to the particular environment of the specific deployment.

In many missions, Commanders Orders are developed and communicated which deal with some of the unique risks associated with operating off shore. These may deal with operating in a manner which reflects cultural sensitivity or being particularly alert to unique vulnerabilities such as fraternisation.

Beyond efforts focused specifically at integrity, the AFP provides appropriate welfare support for members off shore. The welfare program provides an opportunity to detect and address potential personal issues before they could manifest as misconduct.

## Detection and reporting

AFP appointees, including those deployed overseas are obliged by a Commissioners Order 2 on Professional Standards to report any suspected incidents involving other AFP appointees involved in fraud, corruption or any instances of misconduct that is contrary to the AFP code of conduct. Complaints can also be made by members of the public to either the AFP, the Ombudsman or ACLEI.

The PRS unit maintains the AFP Complaint Recording and Management System which is a formal system for recording all complaints about AFP appointees, including complaints about fraud or corruption. The strength of this system is evidenced by the relatively high percentages of internal complaints raised - **57% of** the 920 complaints raised in 2010/11 were made internally. This shows a level high of internal confidence in AFP reporting processes and thus reduces the opportunities for a culture of corruption to grow.

The AFP also maintains a formal Confidant Network which provides an assistance mechanism for AFP appointees to perform their reporting obligations including

anonymously, by reporting through specially trained 'confidantes' drawn from all ranks and levels in the AFP.

To ensure all AFP appointees have the ability to comply with their reporting obligations when overseas, practices have been adopted where access to AFP ICT systems is limited or unavailable.

PRS is able to apply a number of detection strategies for offshore operations. For example, as most staff posted off shore utilise the existing AFP ICT network, audits on compliance with guidelines is possible. PRS is also able to undertake random drug testing in the larger off shore missions such as Solomon Islands and Christmas Island.

### Investigation

All appointees deployed off shore are subject to Part V of the AFP Act 1979. PRS has investigated complaints and conduct issues arising off shore with an officer attached to the Solomon Islands as well as maintaining a capability to deploy off shore if necessary.

### **Term of Reference 1, Trends in and the nature and extent of corruption risks facing Commonwealth law enforcement agencies involved in international operations**

The scale and geographical spread of the AFP's operations and the nature of its business has created challenges in relation to managing fraud and corruption risks. The organisational challenges include operating in remote parts of the world within different cultural frameworks, the high level of discretion and exposure to criminality in some areas of the AFP, and the growth in risks associated with terrorism and organised crime.

The key control in place to address the corruption risks facing the AFP in its international operations is the AFP's Integrity Framework. As described above, this framework applies to all AFP appointees including those engaged in the overseas law enforcement operations described above. The AFP Integrity Framework encompasses fraud, corruption and misconduct prevention, detection and response activities. Less serious misconduct issues are dealt with by in-line managers while more serious misconduct and corruption are managed by PRS. PRS has responsibility for investigating more serious misconduct and corruption, liaising with the Commonwealth Ombudsman and the Australian Commission of Law Enforcement Integrity on issues of serious misconduct and corruption, and also managing prevention and awareness activities.

The AFP keeps this framework contemporary to the trends in the corruption risks impacting on its appointees working overseas through the AFP Fraud and Anti-Corruption Plan (Attachment 2) and responding to the findings of investigations into allegations of corrupt conduct committed overseas.

Further, the AFP liaises nationally and internationally with peers when developing responses to emerging challenges such as the vulnerabilities posed by social networking. Another example are lessons being learned from the current UK

inquiry into corrupt practices between the media and public officials around disclosure of information and phone hacking.

The current AFP Fraud and Anti-Corruption Plan identifies 9 strategic risks which create vulnerabilities across all functions of the AFP:

- Theft of, dishonest use of; or dishonest claim for AFP/ Commonwealth assets and funds;
- Dishonest conduct which aims to or results in loss of revenue or creation of a liability due to the AFP or the Commonwealth;
- Dishonest conduct regard the use of procurement and supply relationships which seeks to or diverts funds away from an AFP project, program or activity;
- Dishonest use of official information;
- Dishonest use of AFP branding/insignia/logo;
- Dishonest use or lack of use of power or authority or status as an AFP appointee;
- Dishonest use or treatment of evidence, seized items or miscellaneous property;
- Dishonest disclosure or lack of disclosure relating to personal circumstances, financial situation, secondary employment, conflict of interest, history, incidents, associations to influence an AFP outcome; and
- Conspiring with others within the organisation or outside the organisation to exploit any of the previous risks.

The AFP has examined its complaints data to identify trends in and the nature and extent of the corruption risks facing its employees engaged in overseas law enforcement operations. There have been a small number of corruption incidences in recent years in relation to AFP offshore operations which do not point to corruption trends or broader corruption risks. Analysis of serious misconduct offshore in recent years similarly does not yield significant evidence of corruption risks/trends but has enabled improved shaping of prevention and detection responses. Fraternisation features significantly in the serious misconduct events offshore. Further, a higher number of serious misconduct complaints have been made in relation to the AFP's presence in the Solomon Islands than in other overseas locations – which is reflective of the large AFP deployment in the Solomon Islands in recent years.

Another feature of note is that offshore serious misconduct complaints have dropped overall over recent years which could reflect initial problems when the AFP's IDG was first established in 2006 and the subsequent positive impact of strengthened prevention and awareness raising strategies including deployment of a Professional Standards investigator in the Solomon Islands.

## **Term of Reference 2, The extent to which Commonwealth law enforcement agencies are able to prevent and investigate corruption in their international operations**

### Application of the AFP integrity framework overseas

AFP appointees deploying overseas remain subject to the professional standards of the AFP. AFP appointees deploying offshore as part of the International

network and IDG are subject to an integrity gateway as part of the recruitment process.

As outlined above, the AFP integrity framework applies to its international operations. In practice this means the work of the AFP Professional Standards function (PRS) applies to its international operations. The work of PRS includes:

- investigating complaints of serious misconduct and corruption (in consultation with Australian Commission for Law Enforcement Integrity (ACLEI));
- random and targeted drug testing (like the domestic programme, the overseas testing regime is designed to be intelligence based, optimising the deterrence and detection effect);
- maintaining professional standards governance instruments;
- supporting a self-reporting process for inappropriate associations, conflict of interest, financial hardship and other circumstances;
- development of early intervention/conduct management strategies
- communicating lessons learned via case studies on the AFPHUB; and
- training on, for example, ethical decision-making, integrity issues, complaint handling.

PRS delivers pre-deployment training which includes not only a refresher on the professional standards of the AFP but focuses on the integrity risks that are relevant to their particular roles and location. Risks identified and discussed include:

- Fraternisation – with a focus on power imbalance;
- Cultural sensitivities including around alcohol consumption;
- Isolation, lower security and potential for coercion, prevalence of bribery in some locations; and
- Appropriate use of corporate cards, travel/communication claims and other corporate expenditure

During 2011, in conjunction with partner agencies, ACLEI and the Commonwealth Ombudsman, PRS delivered training to the contingent deployed to the Solomon Islands. A focus was placed on effective leadership and the management of respectful workplaces.

#### Process for investigating suspected fraud, corruption and misconduct instances

PRS investigators are responsible for the evaluation and investigation of serious misconduct complaints and if referred by ACLEI, a number of corruption matters.

There are seven (7) Investigation Teams comprising over 30 investigators within the Investigation Unit. Four (4) teams are based in Canberra with one team based in Brisbane, Melbourne and Sydney respectively and an officer posted to Solomon Islands. During 2009–2010, a dedicated team was established to specifically manage corruption matters and the increasing engagement with ACLEI.

PRS investigators are required to be appropriately trained and have extensive policing experience. This combination ensures compliance with the fraud control competency requirements as outlined in the *Commonwealth Fraud Control Guidelines 2011*.

**Term of Reference 3, The extent to which ACLEI is able to assist in corruption prevention and to successfully investigate or otherwise respond to corruption in international operations**

The Commonwealth Ombudsman and ACLEI have legislative responsibilities in relation to overseeing the AFP's professional standards. The AFP's Professional Standards area works closely with these agencies to maintain the AFP's integrity and ethical standards.

The AFP Commissioner must notify ACLEI of any corruption issue that relates to the AFP. ACLEI can also accept a referral of a corruption allegation from any person or government agency or commence an investigation on its own initiative. Once notified, ACLEI may investigate the corruption issue, refer the corruption issue back to the AFP or in the case of another agency, refer the matter to the AFP to investigate.

**Term of Reference 4, The nature and effectiveness of integrity measures, models and legislation adopted by foreign jurisdictions, including for their international operations**

The AFP continues to work closely with its international counterparts in relation to benchmarking strategies involving anti-corruption issues. This type of benchmarking allows the AFP to continue to refine its anti-corruption/professional standards framework through continuous improvement of processes and procedures driven by lessons learned from case studies, trends, and external recommendations from the private sector and academics.

PRS regularly provides briefings to visiting delegations from Foreign Law Enforcement Agencies and Corruption bodies on the AFP's Integrity Framework. These briefings provide an opportunity to further benchmark current international practices as well as developing strong relationships in the integrity environment.

**Term of Reference 5, The interaction of Commonwealth and foreign integrity measures, including in cases of joint operations with foreign governments or multinational organisations.**

Since 2008, the AFP has conducted four *Inter-agency Integrity Investigators Programs (IIIPs)*. The participants were drawn from State law enforcement agencies, state and Commonwealth Oversight bodies, other Commonwealth agencies including Defence, and members of Foreign Law Enforcement Agencies from countries including Papua New Guinea, Solomon Islands (Police Force and the Indonesian Corruption Eradication Commission), Botswana and Kiribati.

The AFP developed this program to provide a forum in which senior integrity investigators can come together to share their experiences, to explore key issues and challenges faced in the workplace and to identify future trends within the integrity environment.

This program has recurring themes of contemporary issues prevalent in integrity investigations today:

- Conflict of Interest
- Social Networking and
- Early Intervention Strategies.

The program includes presentations from senior law enforcement officers, academics, and subject experts on a range of topics and through case studies. Participants are challenged across a range of assessable components and successful completion of the program provides participants with credit points towards graduate and post-graduate programs at Charles Sturt and Monash Universities.

### **Term of Reference 6, Any other relevant matters**

In addition to the Inquiry's terms of reference, the Chair wrote to the Commissioner on 6 February 2012 seeking information on:

1. Whether there are overseas locally engaged staff and how many;
2. Whether there are any significant amounts of funding provided to host countries in the form of grants, contracts, or other arrangements;
3. Whether there have been any different or increased corruption risks that have been identified arising from issues potentially including different cultural attitudes to corruption in host countries;
4. Whether there are any additional measures in place to mitigate corruption risks in overseas operations;
5. Whether there have been any corruption incidents in overseas operations, including officers based overseas, Australian based officers while they were overseas, or locally engaged staff; and
6. Whether the rate of occurrence of corruption incidents in overseas operations is greater on a pro-rata staff number basis than within Australia

The AFP can provide the following information in relation to these questions:

#### **1. Whether there are overseas locally engaged staff and how many?**

The AFP International Network overseas presence is determined by operational priorities. These changes affect the number of Locally Engaged Staff (LES) engaged to support the AFP staff. LES are not covered by the AFP professional standards framework. As at 31 January 2012 there were 96 LES employed in support of the International Network. The LES provide a range of services including administrative and office manager roles, drivers, investigative assistants and linguist interpreters. These valuable roles at post support not

only the administrative roles that have to be conducted overseas but also provides operational support by establishing long term relationships with law enforcement agencies and other areas of the overseas community that engage with the AFP. This is a cost effective way of achieving this support as the alternative is to use Australian based people transferring into the overseas post.

## **2. Whether there are any significant amounts of funding provided to host countries in the form of grants, contracts, or other arrangements?**

The AFP provides significant funding to partner countries through its Law Enforcement Cooperation Program, and country specific police development programs. The individual arrangements are as follows.

Through the Law Enforcement Cooperation Program (LECP), the AFP allocated a total of \$4.5M for the 2010-11 FY. Twenty-four capacity-building programs were approved which serve to enhance the capabilities of the AFP and its international partners. Through the LECP, the AFP has directly increased capacity of regional countries and their ability to conduct intelligence activities and effective investigations through the provision of equipment including surveillance equipment, motor vehicles and technical equipment. The LECP has also funded individuals from foreign LEAs to undertake training and development programs including Police Development Management Program, Police Executive Leadership Program, Asia Region Law Enforcement Management Program, International Management of Serious Crime and university scholarships. The delivery of two LECP programs under the LECP resulted in the Australian Joint Transnational Crime Centre being opened in Ho Chi Minh City and the establishment of the Cambodian Transnational Crime Team. This has enabled collaboration between Australia, Vietnam and Cambodia on transnational crimes such as illicit drug production and trafficking, money laundering and human trafficking and has enhanced intelligence sharing.

The Vanuatu Australia Police Project (VAPP) is entirely funded by AusAID and delivered by the AFP. The funding is distributed within the agreed objectives of the project. All project activities including distribution of finances are managed entirely by the project. All financial distribution is in line with the AFP's Commissioners Financial Instructions.

The AFP-Timor Leste Police Development Program has provided significant infrastructure, equipment and services support to the security sector of Timor-Leste utilising Administered funding amounts of \$4.178 million in 2010-11 and \$5.492 million in 2011-12. All contracts/arrangements for infrastructure, equipment or services in Timor-Leste are directly procured and controlled by AFP-TLPDP rather than funding another agency or the Government of Timor-Leste for their procurement. There has been only one recipient of significant direct funding grants since 1 July 2010. Fundasaun Mahein, a prominent Timorese NGO established to increase citizen participation in the development of Timor-Leste's security sector was funded by AFP-TLPDP in the form of grants of \$97,000 in 2010-11 and \$250,000 in 2011-12 (for 2 years to 2012-13). Strict monitoring controls have been placed around the expenditure of this grant.

The AFP will lodge administered funding of \$AUD 1.2 Million with the Tonga Treasury Department for the year 2011/12 for funding of projects under the Tonga Police Development Program. This funding is 50% of the program costs

with the other 50% met by New Zealand. Both Australia (AFP) and New Zealand deposit their contributions to the Tonga Department of Treasury in accordance with the principles of the Paris Declaration in Aid effectiveness. Expenditure is made in accordance with the Government of Tonga's Finance Regulations. All significant expenditures are made in accordance with the Tonga Government Procurement process.

The Samoa-Australia Police Partnership (SAPP) is entirely funded by the AFP's Pacific Police Development Program (PPDP) and delivered by a permanent AFP presence in Samoa. The funding is distributed under the 2011-2012 Project Plan as annually agreed to, and reviewed by the AFP and the Samoa Police and Prison Service (SPS). The total administered funding for financial year 2011-2012 is \$1.101 million. All project activities, including the actual distribution of funds are managed entirely by the SAPP. All financial distributions and delegations are made in compliance with the AFP Commissioner's Financial Instructions.

The most significant amount of funding provided in the form of a grant (funding deed) to the Solomon Islands Government (SIG), in support of the Royal Solomon Islands Police Force (RSIPF) was \$300,000 provided in 2011 for the procurement of four operational vehicles and five fully equipped short-range vessels. This is the only deed of this sort provided direct to SIG / RSIPF. All other contracts and funding etc. is provided through AFP systems direct to suppliers or to Australian contractors.

The 2011/12 Administered Funds budget for the PNG Mission is \$5.329 million. This is allocated against a series of projects designed to support and develop the capacity of the RPNGC to deliver legitimate and appropriate policing services. Whilst the projects are effectively identified and managed by the RPNGC, the structure of the partnership arrangement is such that no administered funds are delivered directly to the RPNGC. The payment of contract sums for works delivered against the projects are made directly into the account of the contractor by electronic transfer on satisfaction of appropriate invoicing processes and authorisation.

### **3. Whether there have been any different or increased corruption risks that have been identified arising from issues potentially including different cultural attitudes to corruption in host countries;**

All LECP projects are in accordance with AFP National Guideline of procurement and contracting which directly aligns to the Commonwealth Procurement Guidelines. Individual countries have unique risk profiles. This information is provided in the confidential attachment to this submission (Attachment 3 refers).

### **4. Whether there are any additional measures in place to mitigate corruption risks in overseas operations;**

In addition to the information provided against term of reference 4, the AFP IDG's capacity development programs emphasise good governance and upholding the rule of law and as such contribute to host government efforts to discourage and combat corruption in all missions. Specific country measures are addressed in the confidential Attachment 3.