



Security Gaps of Timor-Leste: Attractors of Organized Crime

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Introduction

Fundasaun Mahein (FM) has brought attention to organized crime in previous reports, including a 2010 report regarding organized crime operations in Timor-Leste and the follow-up report in 2013 regarding the evolution of this organized crime. Timor Leste is currently facing threats of transnational organized crime, operating in international networks. The author of this report aims to address Timorese citizens as well as foreigners.

The real issues of concern to the public are those being reported by the national media recently, which involve drug trafficking, falsification of documents, money laundering, circulation of counterfeit money, mafia activity, and group crime. These new forms of crime are now infiltrating Timor-Leste, while others have already established their nests here. One notable, newsworthy example of an established enterprise in Timor-Leste is drug trafficking.

After analysis, FM concludes that the fundamental weaknesses of the Timorese security sector have attracted the authors of organized crime, who believe they can establish their enterprises in Timor-Leste without being detected by the fragile security institutions. Indeed, the main gates of transit via air, sea, and land are lacking in equipment, human resources, and competency to detect organized crimes. According to a report surrounding Timor-Leste's maritime area, security actors lack effective control, a troubling reality that presents opportunities to organized crime networks. It is with these issues in mind that Timorese citizens have become concerned that concerns that Timor-Leste has become a transit place for drug trafficking and drugs processing.

This report provides an update on organized crime, following Fundasaun Mahein's previous two reports. This report does not intend to provoke the public but, rather, to bring attention to these organized crime cases that present consequences to both national and regional security.

Even there are lots of success have been realized by the security authorities against the organized crime, however, there are still several of forms that are infiltrating in Timor-Leste. Ironically some forms used Timor-Leste as nest of their activity.

Methodology

Information for this report was gathered from discussions with key security actors, such as the state's information service, the police, and the military. Data collection also gathered information from national and international media reports, NGOs reports, and a Security Sector Discussion held here at Fundasaun Mahein.

This report will focus on various forms of organized crime noted in Timor-Leste, including falsification of official state documents, drug networks, circulation of counterfeit money, money laundering, and more.

Organized Crime Operations

Drugs

At 8:30am on 5 September 2014, security authorities held a successful operation that identified drug distributors and detected some drug items, such as morphine and methamphetamine (sabu-sabu). These drugs were seized from Chinese suspects A and CL, who had come from Singapore and were connected to a group of Timorese citizens for distribution in Timor-Leste. The operation team captured Suspect A, who was in possession of morphine and methamphetamine, and subsequently presented this suspect to the PNTL's Criminal Investigation Service. After examination, the classification of these drugs was confirmed. The operation team also found other evidence, including a machine responsible for processing drugs, which are sent to Timor-Leste in raw form for processing and distribution. The security authorities suspect that those objects came freely over maritime borders.¹



Source: Security Authority of Timor-Leste, 2014

¹ Report of the information service authority in regards to the operations against groups producing falsified state documents. Captured in Dili on 26 September 2014.

The suspect is currently facing his first interrogation at the district court in Dili. Interestingly enough, some security officials tried to intervene in the security operation against this drug syndicate. One particular staff member acted directly against the the military information service. This individual said that the confiscated items were not drugs, in an attempt to let the suspect go. After follow-up investigation, the military information service discovered that the referred security member had been in regular contact with the suspect, and they had met each other at the suspect house on various occasions in the daytime and night. FM has recommended that the information service needs to have good coordination and share information, in order to detect the organized crime networks in Timor-Leste that have strong connections to foreign networks. Furthermore, FM has recommended that security actors establish maximum control at airports, ports and agencies that receive and transfer materials from abroad.² In another case, a key suspect escaped from the prison in 2013, and this individual has not been captured yet. Because of his involvement in drug networks, there is concern about his involvement in future drug-related activities.³

Falsification of documents

On 26 September 2014, the security authorities of Timor-Leste captured groups of Timorese and foreign individuals in Dili in possession of materials, such as computers and laminators, involved in the production of false documents. These groups have been producing and falsifying official state documents since 2002. The profit earned daily by these groups falls somewhere between US\$100.00 and \$500.00. Examples of falsified documents produced by these groups include: baptism certificates, RDTL certificates, driver licences, vehicle registrations, vehicle inspection cards, high school course certificates, electoral cards, and others.⁴

² Congratulations for the Military Information Service's Fight against Drugs. Available as: <http://www.fundasaunmahein.org/2014/09/10/parabens-ba-serbisu-informasaun-militar-funu-hasoru-droga/>. FM accessed on 29 September 2014.

³ Speculation and Decision to bring back prisoners Juga Gama and Alcino M. Pereira. Available: <http://www.fundasaunmahein.org/2014/08/18/espekulasauninformasaun-no-desizaun-lori-fila-dadur-juga-gama-no-alcino-m-pereira/>. FM accessed on 29 September 2014.

⁴ Report of the information service authority in regards to the operations against groups producing falsified state documents. Captured in Dili on 26 September 2014.



Source: Security Authority of Timor-Leste, 2014

These forms emerged and persisted since the 2012 general election, in which these fake electoral cards were used by about 600 foreigners here in Timor-Leste.⁵ Another case involved a Korean citizen who acquired a fake Timor-Leste passport. This person was captured by Indonesian security authorities upon entering Indonesia with this fake document.⁶ Lastly, an Indonesian citizen (initials “ARD”) falsified documents in order to get a passport and a RDTL electoral card from Motael village with the initials “RMS”.⁷

Mafia Operations

The word ‘mafia’ comes from Italy, where it describes a secret organization or organized crime network focused on making money. ‘Mafiouzu’ refers to mafia members who are particularly adept at their trade. Mafia organizations are involved in many types of profit-making activities, such as illegal gambling, prostitution, drug trafficking, and illegal trade.⁸

Examples of mafia-type activity have been noted in Timor-Leste. In the beginning of 2014, security authorities captured a suspect, Lazaro Ribeiro, in Dili. Ribeiro’s

⁵ CNE identifies foreign citizens who have electoral cards, totaling 600. Available at: <http://www.thediliweekly.com/news/news/796-cne-identifika-sidadaun-estranjeiru-kaer-kartaun-eleitoral-hamutuk-600>. FM accessed on 29 September 2014.

⁶ CASE OF KOREAN CITIZEN FALSIFYING PASSPORT, BABO: “WILL SEARCHING”. Available at: <http://jornal.suara-timor-lorosae.com/kazu-sidadaun-korea-falsifika-pasaporte-babo-seikatuirmatadalan/>. FM accessed on 29 September 2014.

⁷ SPI Identifies an Indonesian Man with a Falsified Passport | Chief Village of Motael Better Send back. Available at: <http://suara-timor-lorosae.com/spi-indentifika-ema-indonezia-ida-falsifika-passaporte-xefi-suku-motael-diak-liu-haruka-fila/#sthash.iic3YZC1.dpuf>. FM accessed on 29 September 2014.

⁸ Definition of “Mafia,” according to Wikipedia. Available at <http://id.wikipedia.org/wiki/Mafia>. FM accessed on 29 September 2014.

targets were entrepreneurs, state institutions, embassies and agencies working in Timor-Leste. Ribeiro, who claimed to represent the religious organization “Saint Inacio Loiola,” drafted proposals on behalf of communities in order to get funds from embassies, government agencies, and private businesses. These proposals claimed that the funds would be used to support for orphanages, road rehabilitations, youth groups, and religious endeavors. In reality, the funding was directed to Ribeiro, who used this money for his private affairs.

FM discovered that the targeted institutions for this organized crime were the embassies of China, Japan, USA, Australia, New Zealand and South Korea. Ribeiro also contacted development agencies with such as Union Europe and Spain’s Agency for Development. Furthermore, Ribeiro approached Civil Society Cabinet of the President of the Republic and the prime minister in the last two years. Ribeiro’s proposals requested between US\$1,000 and \$25,000. Some parties, such as embassies, agencies, the President, and the Prime Minister’s Cabinet, provided funding, while some declined the request.⁹

Circulation of Counterfeit Money

In an earlier report, FM discussed the circulation of counterfeit money in Timor-Leste. At the time, FM alerted that all people should be wary when receiving money, whether via contract, business, or elsewhere. Below is a counterfeit bill found by FM (left side) is placed next to a legal bill (right side).¹⁰



Photo by Fundasaun Mahein

Counterfeit bills, like the one seen above on the left, are often made of poor quality paper, and these bills can be very thin and small when compared against legitimate money. Another indicator on these counterfeit bills is the yellow, almost-invisible “20” appearing many times on the bill. This number does not resemble that found on legitimate bills. We do not yet know where this counterfeit money is really coming from, but its existence seems to suggest the activity of organized crime or, at the very least, individuals with advanced counterfeiting equipment.

⁹ Fraud in Timor-Leste. Available at: <http://www.fundasaunmahein.org/2014/04/14/fraud-in-timor-leste/>. Accessed on 29 September 2014.

¹⁰ Counterfeit Money. Available at: <http://www.fundasaunmahein.org/2014/07/03/counterfeit-money/>. accessed on 29 September 2014.

Money Laundering

This is a fresh and frequently-discussed topic in Timor-Leste recently. One source of discussion is the capture of Bobby Boye by the United State of America (USA) in June 2014. Bobby Boye has been accused of seven (7) crimes involved in stealing money more than US\$3.5 million from the people of Timor-Leste. Boye came to Timor-Leste in 2010 with Norway's aid program in the effort to secure the money rightfully belonging to the Timorese petroleum sector. Then, Boye worked as an advisor at the National Directorate of Petroleum at the Ministry of Finance last year. According to the FBI, Boye had formed a fake company in New York and used the company to secure a \$7.8 million contract with the Ministry of Finance in Timor-Leste. Timor-Leste did not know that "Opus and Best" was not an existing company, or that Boye was behind this company.¹¹

In another case occurring last week, security authorities of Singapore captured Singaporean citizen Sou Hok Huan, who took a total of US\$57,000 from Timor-Leste. This total fund (\$57,000) belonged to a November 12th cooperative committee as well as other individuals.¹²

FM has alerted in the past that Timor-Leste fortify financial control system, in order to track funds entering and leaving this nation. Indeed, another case occurred similar to those above, in which security authorities of the Nicolau Lobato International Airport captured an Indonesian citizen attempting to bring a suspicious US\$54,800.00 into Timor-Leste.¹³

Timor-Leste: Threats to Come

FM considers the falsification of official state documents as an organized criminal activity. However, the government of Timor-Leste has not yet given full attention to this activity. In particular, private enterprises are using modern technologies in the production and printing of these documents. FM has determined that some of the enterprises using this printing technology are acting legally and others are not. Data collected by security authorities shows that some enterprises have become

¹¹Bobby Boye: Convict, Advisor, and Fraud. Available at: <http://www.laohamutuk.org/econ/corruption/Boye/14BoyeCase.htm>. FM accessed on 29 September 2014.

¹²Police of Singapore have Captured Sou Hok. Available at: <http://www.jndiario.com/2014/09/25/polisia-singapura-kaptura-ona-sou-hok/>. FM accessed on 29 September 2014.

¹³Mahein's Voice #14, 10 November 2010. THE OPERATIONS OF ORGANIZED CRIME IN TIMOR-LESTE. Available at: http://www.fundasaunmahein.org/wpcontent/uploads/2010/11/MNL_Nu.14_10112013_Organized-Crimepdf1.pdf. Accessed on 29 September 2014.

places of producing and falsifying state official documents, as mentioned above. These falsified documents involved not only Timorese citizens but also foreigners.¹⁴ FM has found various falsified documents, such as electoral cards and RDTL certificates. These documents discovered by FM have been cross-referenced with identity cards and certificate, and it appears that some of the owners are from Indonesia and China.¹⁵ Some involve Timorese citizens who were illegally staying in Atambua and Kupang in 1999. These private enterprises facilitate and produce these falsified documents, which range from electoral cards to RDTL certificates to baptism certificates to many others. FM's concern is that these falsified documents will allow organized crime networks to operate illegally within Timor-Leste. Therefore, in this section, FM considers that the threat is approaching. FM worries that these documents can be used by organized crime groups as well as terrorist groups, which have been operating in neighboring states against innocent people, on behalf of the ongoing Islamic State movement.

Global Terrorism

Why is global terrorism considered an oncoming threat? The movements of terrorist groups have been traced in Asia and neighbours countries, such as Indonesia and Australia, in the last few weeks. Recently, security authorities in Australia shot dead a young man suspected of being an ISIS member.¹⁶ Furthermore, members of the ISIS movement were discovered at Belun in Indonesia,¹⁷ which sits only a short distance from Timor-Leste. Societies of both Timor-Leste and Indonesia are very concerned about the potential rise of these terrorist groups.

How should the events mentioned above influence security policy in Timor-Leste? FM suggests that the government host a discussion or analysis regarding the potential implications of these terrorist groups for Timor-Leste. These terrorist networks may be attracted to Timor-Leste because of the vulnerable security framework, and the groups may also use Timor-Leste as opportunity to recruit new members. As mentioned, groups of this kind often use societal gaps and security weaknesses as opportunities. As such, the ISIS movement and its sympatiars may develop organizations in our neighbour countries, such as Indonesia, Malaysia and Australia. It seems logical that neighboring countries should impose strong laws to deter terrorism within this region.

Timor-Leste has a relatively weak security sector, particularly in terms of its maritime

¹⁴ Report of the information service authority in regards to the operations against groups producing falsified state documents. Captured in Dili on 26 September 2014.

¹⁵ Report of the information service authority in regards to the operations against groups producing falsified state documents. Captured in Dili on 26 September 2014.

¹⁶ Tersangka Militan ISIS Ditembak Mati di Australia. Disponivel iha: <http://www.dw.de/tersangka-militan-isis-ditembak-mati-di-australia/a-17949404>. FM asesu iha loron 29 Setembru 2014.

¹⁷ Polisi cegah penyebaran propaganda ISIS. Disponivel iha: http://www.bbc.co.uk/indonesia/berita_in_donesia/2014/09/140919_isis. FM asesu iha loron 29 Setembru 2014.

and land borders. These access points could attract terrorists, who may use the fragility of the border institutions to come and go as they please. If these individuals can cross without detection, Timor-Leste could become a hiding place for terrorists, as it has recently become for drug traffickers.

Related with a case, FM does not want to indicate that the member is from terrorist or criminal groups but FM suspiciously that the person can be from the referred groups. The person is a foreigner and is working as an enterprise in Timor-Leste but with unclear identity. FM discovered that only one person but he may use three identities and doing various acts against Timorese who are working with his enterprise. This person told to those Timorese as well that he was not afraid for Timor-Leste, because he has lot of experience in conflict countries in Asia and neighbour countries.¹⁸

FM's Recommendations

1. The security authorities of Timor-Leste must share intelligence information with neighbor countries in regards to the regional movement of terrorist and criminal groups.
2. The relevant institutions should create a strong border control policy, in the effort to prevent criminal and terrorist organizations from entering the country.
3. Security authorities and relevant ministries of should perform direct inspections of enterprises as well as any foreigners that operate in this nation.
4. Security authorities and the relevant ministries must draft an integrated plan that involves rigorous supervision of imports and exports at the airports, ports, and border lines of this nation.

¹⁸ A credible source approached FM in beginning of September 2014 regarding foreigners' activity and work in enterprises in Timor-Leste that produce identity documents such as passports, KTP's, and other official documents.

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