



Preventing Australia from being a haven for those involved in human rights abuses and grand corruption

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I am the gate; whoever enters through me will be saved. They will come in and go out, and find pasture. The thief comes only to steal and kill and destroy; I have come that they may have life, and have it to the full.

John 10:9-10

When money that is supposed to build hospitals to buy medical equipment is used to buy real estate in Cairns or Brisbane, people die. And, quite frankly, those who turn a blind eye to this are as guilty as the offenders.

Sam Koim, the former head of Papua New Guinea's anti-corruption body *Taskforce Sweep*

Throughout the Bible, there are calls for people to act with integrity and to treat the socially less powerful justly. Australia has, at times, provided a haven for the assets of political leaders and business people in developing countries involved in gross human rights abuses or grand corruption.

In a very public example, the Brazilian meat processing corporation JBS was able to use the proceeds of crime to become the largest meat processing business in the world, including buying meat processing businesses in Australia and becoming Australia's biggest meat processing business. Those purchases were made with the consent of the Australian Government. Currently, the Foreign Investment Review Board that assesses significant investments into Australia from overseas does not appear to have to evaluate if the funds being invested have been derived from criminal activity or corruption.

JBS purchased Swift & Co in the US. Swift & Co owned Australian Meat Holdings. They are reported to have spent another \$2.05 billion buying food companies in Australia, including Primo Smallgoods (for \$1.45 billion in 2015), pork processor Rivalea (for \$175 million) and salmon farmer Huon (for \$425 million).

The Batista brothers, who controlled JBS, and their J&F holding company, signed a plea deal on 5 June 2017 concerning the bribes they paid to 1,829 politicians and officials. They agreed to pay a fine of 10.3 billion reais (\$5.4 billion) over 25 years. In February 2022, J&F attempted to renegotiate the penalty down to 3.6 billion reais.

In a further 2020 plea deal with the US Department of Justice, it was revealed that the Batista's holding company, J&F Investimentos, funnelled US\$179 million to offshore accounts they set up for senior politicians in Brazil to get cheap finance from a state bank that paid for JBS's investments in Australia and the US. J&F Investimentos pled guilty in the US and agreed to pay a US\$256 million fine to settle the bribery case under the US *Foreign Corrupt Practices Act*.

In July 2016, Wesley Batista was charged with alleged bribes from JBS SA to the former president of the Brazilian parliament, Eduardo Cunha. In a recording he made on 7 March 2017, Joesley Batista told the then-Brazilian president, Michel Temer, he was paying bribes to two judges and a prosecutor. In response, the President appeared to encourage Batista to continue paying bribes to Eduardo Cunha to keep his silence.

As of the end of 2022, the Batista family was twice as wealthy as when the bribery was revealed.

The Synod's understanding is that even if only part of the funds used to purchase meat processing businesses in Australia were sourced from the finance made available through the bribes that have been admitted to in Brazil, then the businesses would be regarded as having been purchased by proceeds of crime.

JBS's association with unethical and criminal behaviour does not stop at having paid bribes to Brazilian politicians and public servants. JBS has also been associated with cases of:



- Modern slavery on farms it sources cattle from in Brazil;
- Illegal logging in the Amazon;
- Tax dodging in Australia and the US, including working with PwC to frustrate the Australian Taxation Office's attempts to audit them with excessive use of legal professional privilege; and,
- Price fixing in the US.

The Synod notes that the people working for the companies in Australia – purchased with what was in part likely to have been proceeds of crime – have had no role in any of the criminal activity that JBS in Brazil was involved in.

In March 2023, the Australian Federal Police publicly raised concerns illicit money is being used to invest in property in Australia.

The Australian Government has taken some actions to address the proceeds of crime being laundered in Australia. The Government has established Taskforce Avarus that brings together the Australian Federal Police, AUSTRAC, the Australian Criminal Intelligence Commission and Australian Border Force to unravel the complex structure organised crime figures are using to conceal their profits from crime. The Taskforce had arrested 42 people and seized more than \$250 million in cash and assets related to criminal activity by March 2023.

What you can do

Write polite and respectful letters to:

The Hon Anthony Albanese MP

Prime Minister
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Salutation: Dear Prime Minister

The Hon Mark Dreyfus MP

Attorney General
PO Box 6022
House of Representatives
Parliament House
Canberra ACT 2600

Salutation: Dear Minister

Points to make in your letter:

- Express concern that Australia continues to be a haven for the assets of those that have committed severe human rights abuses or grand corruption overseas.
- Note that Australian Governments have made only modest efforts to date to address the problem and lag behind the actions of countries like the US.
- Express deep concern that JBS was able to purchase businesses in Australia to become the largest meat processor in Australia with proceeds of crime.
- Ask that the Australian Government amend the *Foreign Acquisitions and Takeovers Act* so that the Foreign Investment Review Board must assess significant investments into Australia and prohibit foreigners from being able to invest with profits derived from crime, serious human rights abuses or grand corruption.
- Ask the Australian Government to tighten up Australia's anti-money laundering laws to require real estate agents, lawyers, accountants and businesses involved in establishing companies to report suspicious transactions to the police.
- The Australian Government should expand the existing Criminal Assets Confiscation Taskforce to include a section focusing on tracing and returning assets stolen from developing countries. Note in your letter that such a unit already exists in the US.
- Ask that the Australian Government follow through on introducing laws to provide for a public beneficial ownership register of companies and trusts, so the real owners of companies and trusts will be known.

You might also choose not to purchase products from companies owned by JBS and instead support businesses that have no association with criminal activity.