

By Bob Makin

Vanuatu is a very small country (pop. 200,000), and the capital city is tiny (30,000). Yet bad news travels as fast as the trade wind — which frequently carries with it the smell of corruption.

In 2006, a resident of an area adjacent to the spring supplying water to the capital, Port Vila, noticed that a farmer down below had constructed a dwelling of some permanence. Believing this building to be inside an area protected by law to prevent contamination of the city's drinking water, the resident made further inquiries. Indeed, the farmer had built where no structure was allowed, and where he had permission to farm only crops unlikely to present a hazard to the aquifer.

The observant resident notified the authorities, but he found out that the matter was not all that straightforward. The farmer turned out to be a very strong supporter of the political party of the Minister of Lands. Furthermore, not only had the farmer built the structure in a restricted development zone, he also had not paid any rent to the government, the rightful landowner, for the lease on land that he had wrongfully occupied for quite some time.

The odor of corruption was strong, and the media soon picked up the scent. As it happened, the day the story broke was the very day the minister himself stepped — to tell his follower, the farmer, he would have to leave the premises, and to make an agreement with the Lands Department to quit. The media have good contacts in all ministries, and 'leaks' from official sources enabled a journalist to gain access to photograph the signing.

This might all have been like a puff of air-freshener and put an end to the affair. But there was one catch: The minister agreed to give his farmer friend "compensation" to the tune of 58 million vatu (US\$567,000) for having to leave the land he had wrongfully occupied in the first place. The media, having a photo of the signing and the gist of the agreement, ran the story with enthusiasm.

Vanuatu's media, while diligent, is handicapped: The national radio service reaches less than half of the population, while newspapers hardly travel beyond the towns. However, the "coconut wireless" (slang for an island's gossip network) is extremely effective at relaying accounts of corruption, and, in next to no time, "normally reliable sources" are ready to leak incriminating documents to the media.

Vanuatu's small size accrues to its benefit in a way: The fact that everyone knows everyone else's business helps to deter corruption. The sudden appearance of wealth immediately draws attention to itself, whether in the number of gold chains worn by the recipient of a grandee's favor, or the appearance of the house in a *tabu* (sacrosanct) location. The local culture is based on a "big man" principle, in which individuals work to achieve status and wealth (traditionally counted in pigs), which he or she is supposed to share. This culture is, however, not easily penetrated by western legal intrusion, and the Ombudsman's efforts are compromised by his own culture.

The "coconut wireless" is the main factor in the detection of corruption in any small island state. Editors wish it a long and useful reign.

Nevertheless, the stink remains all pervasive and continues to pollute the air to the present day. In the above-mentioned case, the prime minister, hanging on by a slender majority, cannot afford to discipline the Minister of Lands. At the same time, the public is reminded of the sins of the farmer every day, when traveling in one of his monogrammed buses or past his most recent acquisition from his 58 million vatu (US\$567,000) windfall: a corner store which has been turned into a nightclub, restaurant and bar, with the best beer prices in town.

On the strength of his wins, the rising politician-entrepreneur-farmer is intimating that he's thinking of running for office himself. It is not yet known whether he will contest the seat of his patron and mentor, the Minister of Lands.

Members of the news media periodically remind the government and public of this unresolved issue, as it will surely come up in the next general elections. Scheduled for mid-2008, the elections may very well take place much earlier than that, due to another corruption scandal presently unfolding at the government-run National Bank of Vanuatu. Astounding new facts are learned every week, making the implications of this case much wider than the affair of the minister and the land at the water source.

In the first week of the discovery of the corruption, two ni-Vanuatu were apprehended cashing professionally altered checks, back-dated since June 27, 2007, at the government National Bank. A check originally written for 500,000 vatu (US\$4,887) carried the figure 26,800,000 vatu (US\$261,974) at presentation.

The fraudsters knew they were onto a good thing. Other checks had already been cashed with values around 1 million, 10 million and 12 million vatu (US\$9,775, US\$97,751 and US\$117,302, respectively). You can buy a good car for 1 million vatu, and the perpetrators had become wealthy men over the previous months.

One, however, did better than the others. An Indo-Fijian named Salendra Sen Sinha had already been charged in Vanuatu for allegedly conspiring with others to manufacture bogus 5,000 vatu (US\$49) banknotes last year, allegedly defrauding the government of more than US\$300,000. The charges eventually were dropped and the case failed altogether because the public prosecutor did not attend the court sitting.

Salendra was on his way home to Fiji with a ni-Vanuatu friend in a French-owned yacht piloted by two Frenchmen, when the media learned, through “normally reliable sources,” of the arrests at the NBV. The Indo-Fijian and his friend allegedly had had the foresight to send their share of the proceeds to Fiji in advance, and it was alleged that his wife was already boasting of the house and cars which they had bought.

By week two, it had been reported to the media that two members of Parliament and two ministers of state were involved in the fraud. Indeed, according to media sources close to the police, the funds came from the constituency allowances of the members of Parliament.

The general public in the capital and islands of Vanuatu was outraged. The vehemence of their feelings was palpable as the ni-Vanuatu and two French were returned to the capital from Fiji and severely beaten when being taken into custody at the airport. The Vanuatu police also seeks the extradition of Salendra, despite his earlier acquittal. Fijian media has reported that Salendra now faces charges in Fiji as well.

The Minister of Youth and Sports was detained at his Port Vila home and placed under arrest.

By week three, a bank teller and four policemen of the Criminal Investigations Unit had been suspended. Professional scanning equipment was seized.

By week five, a total of four MPs (including the minister) had either been arrested or turned themselves in. That week ended with the police and public chasing two men, another Indo-Fijian and a ni-Vanuatu, and eventually ramming the fugitives' car. The people of Vanuatu were

indignant at the theft of their money from a benefit fund which may have brought them future benefits, so they were happy to give chase and block a side street to help the police arrest the escapees.

The NBV fraud has provoked two cabinet reshufflings in as many months. A normally uninformative and now beleaguered government has further clammed up on a range of unresolved issues. But the people are demanding answers. NGOs are organizing demonstrations against government corruption. Meanwhile, the media have now come into their own. They will pound away at the issues, and they will get those answers. Another strong possibility is that the government will pay for the corruption over which it has presided with the ultimate price: fresh elections.