

# Selling Passports for Fun and Profit

by David S. North

Once upon a time passports were only issued by a government to its citizens; holding such a document meant that you gave your allegiance to that country, and that it counted you as one of the family.

No more. It is now more complicated; passports of varying validity and utility can be obtained on what has become an open market.

Essentially there are three types of passports-for-sale:

- 1) those counterfeited by out-and-out criminals;
- 2) those sold with a wink and a nod (by at least one private firm) as "shadow passports" to be used when your plane is hijacked by folks hostile to, say, Americans; the sellers, of course, would be shocked, shocked! if these documents were used to fool some ill-informed inspector at a Third World airport;
- 3) those sold openly by small states, mostly in the Pacific, as a revenue-raising device.

Counterfeit passports have been with us for centuries, but they are the least of the challenges for the policy makers, if sometimes a problem for law enforcement types. A group of Immigration and Naturalization immigration inspectors and I did a study twenty years ago (for the INS) about the different fraudulent ways that people seek to enter the U.S. at the ports of entry.

Thousands of randomly selected aliens at a score of ports (both land and air) were inspected with more than the usual diligence, and counterfeit documents

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were at the bottom of the list. *Male fide* entrants, to use the INS term, were much more likely to make false verbal claims to U.S. citizenship, or to seek to use fraudulently acquired legitimate documents, than to carry counterfeit documents.

Shadow passports are relatively inexpensive, and presumably of pretty limited utility. The idea, according to the people selling them, is that it is a second passport that you carry with you at all times, just in case your plane is hijacked. This second passport indicates that you are a citizen of some other country, so the anti-American bad guys take out their hostility on the other Americans on the plane, but not on you.

The documents (which are sold by direct mail) cost about \$400 when I last checked into them two years ago. They are issued by a private firm in Britain, carrying the names of former or never-were nations, such as Burma or the New Hebrides (now Vanuatu) in the first category, and Eastern Samoa (now American Samoa) in the second.

It struck me at the time that the terrorist threat was pretty remote and that some people might buy these documents for different, and less benign, purposes than fooling the hijackers. I raised that issue with both a senior American intelligence officer and with the purveyors of the documents.

"It is not illegal to manufacture, buy or sell these 'fantasy passports'" the intelligence officer told me, "but it is illegal to use them at a border crossing or at a bank. Such documents have been around for a while, but the use of Eastern Samoa and the New Hebrides for these purposes is news to me."

He said he knew there was a trade in these documents and that they sometimes showed up at U.S. ports of entry.

As to penalties for their misuse: "Probably the worst that could happen to you is that you would be turned away by the inspector at the airport and forced

to fly back where you started.”

To my surprise the document sellers responded to my faxed questions. On stationery with a wonderfully Brit address — Forestside House, Rowlands Castle, Hants, PO9 6EE, England, UK — Richard Cawte of Scope International replied to my question: how do they know that crooks and criminals are not using these products? He wrote:

*To answer your question about possible checks made on clients, we have no way of verifying all potential customers details, and this would probably be contradictory for a privacy-oriented company. We do, however, warn all people that these items are strictly for novelty use only...”<sup>1</sup>*

The sale of passports by small nations is a problem for policy makers, both in industrial nations like the U.S., and in the nations that sell these documents. This is a practice that probably happens elsewhere as well, but I am most familiar with the sales of these documents by Pacific island nations, such as Tonga, Samoa (the former Western Samoa), Vanuatu, Kiribati, the Republic of the Marshall Islands, and perhaps Tuvalu.

All of these nations have extremely limited resource bases, inherently expensive operations (tiny populations and many islands), over-staffed governments, and thus perpetual financial crises — but they are nation-states, and can engage in what I call the economics of sovereignty. In other words, they — unlike individuals, cities or corporations — can raise money by licensing ships, issuing postage stamps and coins, and selling passports.<sup>2</sup>

In addition to their financial needs, these island states are all new to nationhood and lack the history of citizenship that exists in older nations, so when someone said — “hey, let’s sell passports to those Hong Kong Chinese!” — the reaction probably was, “why not?”

Tonga, like all these island nations (save the Marshalls), is a member of what had been the British Commonwealth of Nations, as was Hong Kong. Tonga was the first of the island nations to sell passports, and its pioneering, after an initial stumble or two, led the way for the other islands.

The obvious market, ten years ago, consisted of the wealthy among the Hong Kong Chinese. Most were not likely to obtain UK passports (at least not the kind that permitted settlement in Britain) and many worried that life and moneymaking in Hong Kong after PRC takeover might not be attractive, so they were susceptible to the notion of securing a non-Chinese passport.

Tonga began selling their own passports in Hong Kong, reportedly for as much as \$50,000 each. While I do not recall numbers being announced, the Royal Tongan government said that sales were brisk. But the passports had what turned out to be a fatal flaw. The bearer could not use them to enter Tonga, much less to live there. Soon the U.S. and other major nations refused to honor the passports, because what meaning did they have when they could not be used to enter the nation issuing them?

Tonga soon switched gears, announced that those holding the passports could at least visit the kingdom, and sales resumed. My sense, however, is that the change has not led to much immigration to the nation.

With the Republic of the Marshall Islands (RMI) the experience has been different. The Marshalls, once Spanish, then German, then Japanese colonies, had been part of the U.S.-managed United Nations Trust Territory after World War II. In the mid-1980s they became one of the three Freely Associated States — Pacific island nations which worked out special arrangements with the U.S. The basic deal, made at the height of the Cold War, was that the islands, while independent nations, would not let any other power obtain military bases, and the U.S. would send the islands hundreds of millions of dollars over a 15-year period (the expiration of which is fast approaching).

The Marshalls, not content with their 15-year-long flow of dollars from the U.S. Treasury, decided that they, too, would sell passports, but they had the advantage that Tonga lacked — after the passage of time, a holder of an RMI passport could move into the U.S. without a visa.

Why is this the case? Citizens of the Marshalls and the other Freely Associated States (Palau and the Federated States of Micronesia) under the Compact of Free Association have the right to enter the U.S. without regard to provisions of the Immigration and

Nationality Act. After five years of residence in the Marshalls an RMI passport holder (and thus a naturalized citizen) apparently would be treated like other RMI citizens as they approached one of our ports of entry.

RMI soon found that it had a new, and assertive, population; middle class Chinese who settled in Majuro (the capital) and who started small businesses, and quickly ran the locals out of (for example) the

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taxicab business. Will they leave for the States when the five years are up? Maybe, but in the meantime the RMI is working with a self-imposed set of social tensions.

A headline in the *Marshall Islands Journal*<sup>3</sup> says it all: “Not anti-Chinese but...

Local Businesses Trampled”

The article reads, in part:

*While expressing serious worries about the rapid influx of Chinese over the past six months, local business leaders are quick to say they are not criticizing the Chinese on the basis of their race — but rather a concern is that the government has allowed its passport-selling program to get out of control and Marshall Islands will suffer the consequences... Marshallese who will not be able to compete with their Asian business counterparts...*

It must be remembered that the financial pressures on the Pacific island states — again, some of them being self-inflicted through waste and corruption — are severe, and the attractions of a few million dollars in what at first blush appears to be cost-free passport sales have to be tremendous.

The island press is full of examples. Two RMI senators, one using a \$3 million figure and the other

\$10 million, spoke of the importance of this income to meet the (substantial) RMI government payroll and to fund its (money-losing) government airline. “...if accusations are to be made regarding this money, we must all share the blame.”<sup>4</sup>

In mid-1997 the RMI, probably worried about displeasing the American government, ceased selling the passports.

Meanwhile, Kiribati (pronounced Kir ee bas), the former British colony of the Gilbert Islands, also got into the act, announcing that it had sold \$1.5 million worth of passports in 1996, and \$1 million worth in the first four months of 1997 (as the PRC occupation of Hong Kong loomed even closer). The price in this case was announced, and was \$15,000 each.<sup>5</sup> I do not know whether this has led to much immigration to Kiribati, but I doubt it.

In addition, two, and perhaps three other island states, have entered the same business.

Western Samoa is an independent nation lying west of the smaller, less populous American Samoa. Once a German colony, then a New Zealand protectorate, in the late 1990s it began selling passports in Hong Kong, with the price ranging up to \$26,000 each. Here there were parallels with the Marshalls, for just as RMI citizens can enter the U.S. freely, so Western Samoan citizens have easy access to New Zealand.

Vanuatu, once a joint French-British colony bearing the Scottish name of New Hebrides, started selling passports, too, but I have few details. My sense is that a Vanuatu passport does not have the open-sesame qualities of the RMI and Samoan passports.

Finally, there is Tuvalu, formerly the Ellice Islands, a South Pacific British colony. It is one of the least-populated nations in the world with about 8,000 residents; it is so small that its creative leadership has persuaded several industrial nations to set up an endowment for the nation, as if it were a small college.

Tuvalu may also be in the passport-peddling business. According to an authoritative U.S.-based newsletter, Tuvalu’s “Parliament is being asked to approve an overseas passport sales scheme; holders who would be called ‘investor immigrants’ could reside in the country but not acquire land or citizenship.”<sup>6</sup>

So, lots of small nations are selling passports, with different rules, prices and degrees of usefulness to the purchasers. While some critics see these sales as creating short-term immigration impacts (e.g. the Marshalls) and others visualize longer-term demographic consequences (e.g. the use of the RMI passports to bring otherwise ineligible people to the U.S. legally) those are not the principal problems seen in the island nations.

What gets attention locally are the widespread charges of corruption. Who gets the money from these passport sales? The island nation's public treasury? Or the private pockets of people close to the passport sales process?

Again, the private temptations must be huge, as these islands are notorious for the lax handling of public money. The activity in Samoa along these lines is particularly well-reported.<sup>7</sup> The Samoan outpost in Hong Kong enlisted a couple of local firms to sell the passports for them, bringing yet another potentially troublesome variable into the picture. Ads were run in the *Macau Daily* and in the *Hong Kong East* newspapers, according to the *Samoa Observer*.

"There were allegations that the scam went right to the top of the Samoan government," an AP report stated (quoting the local paper) and for that reason Tuiatua Tupua Tamasese Efi, leader of Samoa's opposition party, not only made public charges to this effect, he turned over evidence to both Samoa's Attorney General and to New Zealand's Solicitor General.

Samoa's Prime Minister Tofilau Eti Alesana, who has also been immigration minister for the last seven years, denied any involvement in the matter.

According to the government, dozens of passports "have gone missing" since 1994; the local paper says that the correct number of missing documents is 1,700. An examination of the country's financial records would not help solve things as there has not been an audited set of books in half a dozen years.

Samoa is not the only nation where these charges have been raised. In Tonga, one of the few functioning, old-fashioned monarchies remaining in the world, the question is: how much of the money went to King Taufa'ahua Tupou IV as opposed to the kingdom's treasury.<sup>8</sup> Similar questions are being asked

in the Marshalls, and in Vanuatu.

In the last-named nation the vigorous occupant of the nation's ombudsman's office, Marie-Noelle Patterson, has raised hell about successive administrations pocketing money from the sale of Vanuatu passports to Asians. Ms. Patterson has the quadruple disadvantages of being a woman, born in Europe, having a Western name, and having courageously blown the whistle on every major politician in her country. She may not be in office by the time this article appears in print.

When it comes to numbers, however, all these creative public and private scams in exotic and distant places cannot hold a candle to another technique that inadmissible but wealthy aliens use to secure permanent entry into the U.S. I am referring to the misuse of this nation's immigrant investor program as reported in the *New York Times*,<sup>9</sup> but that is a subject for another article, which might speak to the deferential treatment given by some immigration agencies to the yacht people, as opposed to the boat people.

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## NOTES

<sup>1</sup> These paragraphs are based on a longer article of mine on these shadow passports in *Pacific Islands Monthly* (Suva), July, 1996.

<sup>2</sup> For more on the sovereignty business see the cover story in the July, 1994, *Pacific Islands Monthly*.

<sup>3</sup> July 4, 1997.

<sup>4</sup> "Passport sales fuel gov't payroll" *Marshall Islands Journal* (Majuro), September 26, 1997.

<sup>5</sup> "Kiribati passport a best seller" *South Sea Digest* (Sydney) August 1, 1997.

<sup>6</sup> *The Washington Pacific Report* (Alexandria, VA) September 1, 1997.

<sup>7</sup> See, for example, the cover stories in the July, 1997 issue of *Pacific Islands Monthly*. (I had left the publications a few months earlier, so this is not my work), and "Passport scam may involve top Samoa officials," an AP story in *Pacific Daily News* (Guam) August 30, 1997.

<sup>8</sup> "Battle among the royals," *Pacific Islands Monthly*, April 1998. That issue also carried two unrelated stories which dealt, among other things, with private profits in the sale of passports in Vanuatu and in Samoa.

<sup>9</sup> "Abuses Are Cited in Trade of Money for U.S. Residence," front page, *New York Times*, April 13, 1998.

# A Letter to Party Leaders in Puerto Rico

*From English Language Advocates' chairman*

by **Leo Sorensen**

[On December 7, 1998, Chairman Leo Sorensen of English Language Advocates (ELA) addressed a letter to party leaders Hon. Pedro Rosello, Governor of the New Progressive Party; Hon. Anibel Acevedo Vilá, President of the Popular Democratic Party; Hon. Ruben Berrios, Senator of the Puerto Rican Independence Party; and Hon. Luis Vega Ramos, Chairman of the Coordinadora Puertorriqueña.]

Gentlemen:

I am writing to you on behalf of the Board of Directors and the fifty thousand supporters of English Language Advocates (ELA), a national non-profit organization dedicated to the defense of English as the official language of the United States.

Several representatives of ELA, myself included, have just returned from Puerto Rico where we spent several days observing the plebiscite campaign and meeting with advocates for the various status options offered to the voters on December 13.

We are deeply concerned about the campaign of misinformation that is being conducted by the advocates of Statehood for Puerto Rico, whose advertising boldly and incorrectly assures the voters that the island can become a 51st State without any changes in its language and cultural policies. THAT ASSERTION IS WRONG. It is clearly meant to create the illusion that Puerto Ricans can join the Union of States without having to accept the primacy of English in their public life, nor give up some of their cherished symbols of independence from the American nation.

We feel it is our duty to inform our fellow citizens in Puerto Rico that this promise is false. To cast an informed ballot, voters in Puerto Rico should consider these facts:

- There can be no Spanish-speaking State of Puerto

Rico. Statehood implies that English will be the language of state and local governments and of all their branches and subdivisions. English will be the primary language of Puerto Rican schools.

- The State of Puerto Rico will have no separate representation in the Olympics, in international beauty competitions, in the United Nations or any other international body. These functions are the sole prerogative of the United States.
- The people of the United States, through their representatives in the Congress, will withhold membership in the Union of States from any State insisting on language separatism. Mindful of the example of Quebec, mainstream America will defend its traditional language, English, against the dangers inherent in a Spanish-speaking State within the Union.
- There is no trial membership in the United States. The Union is indivisible. Once a State, Puerto Rico can never aspire to any other status.

The movement to defend English against the implantation of rival languages continues to gain momentum and is determined to use its growing strength to bar the entry of Puerto Rico as a quasi-autonomous Spanish-speaking nation within the Union of States.

In view of the long and largely beneficial association between the people of the United States and the people of Puerto Rico, it may be best to avoid the assured embarrassment of Congressional refusal and await a more propitious time — when English fluency has become the rule rather than the exception in Puerto Rico — for formally seeking membership in the Union of States.

(s) LEO SORENSEN, Chairman  
English Language Advocates