

PASSPORT PROGRAMS PAST and PRESENT: THE WORLD TOUR

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Nothing like this has ever been published before! This Report brings you for the first time in print, Passport Programs Past & Present (PPPP). Here's the complete A to Z of countries that offer, or offered, instant citizenship programs. Almost all nations offer fast passports after residency periods. The shortest of these are very short; even a day or so will do in a few places! In respectable countries, the shortest residence period typically is two or three years.

Often the residency periods start when you register. This may not always entail your physical presence in the country itself. Often a personal representative with a suitable power of attorney can do all the paperwork and legwork for you. Residence and domicile (similar concepts) are legally speaking, a matter of personal intention, not a matter of physical presence. In some places you can come in, establish residence, and then return two or three years later to pick up your passport. Accommodating bureaucrats have been known to backdate documents to shorten the wait. But be careful about any procedures that could later be considered fraud, as they could be grounds for revocation of your citizenship at a later date.

Naturalization is the term used when a foreigner becomes a local citizen by complying with certain established procedures. In the post 9-11 era, we strongly advise getting your second passport legally by following the rules. That way, your new passport will be valid under international law. Even Big Brother will be unable to challenge it or take it from you.

A LITTLE HISTORY

Some of the nations we list or discuss in this Report do not *currently* issue passports to foreigners. So why do we bother mentioning them? Because if they have done so in the past, it is reasonably likely that they will again in the future. When the heat from Big Brother is off, things usually return to the prior status quo. We feel it is definitely worth keeping an eye on places that had a passport program at one time. New programs suitable for you may well reappear in the future. Sometimes such programs will be officially announced. Just as often, some kind of executive order opens new doors but the opportunities are kept under the counter, only for insiders or people 'in the know,' such as consultants, immigration and nationality lawyers, and diplomats.

There are important lessons to be learned by studying the successes and failures of the various economic citizenship programs. These were, in effect, instant citizenships sold for cash. This writer and his associates were the driving force behind several of these programs. Others were modeled on legislation we wrote. Big Brother paid no attention to these ‘economic citizenship programs’ until certain muckraking, left-wing journalists started sticking their noses in. Horror of horrors! Some high-profile, wealthy people were getting second passports in order to leave their country of origin, take their wealth with them and ‘escape’ future income taxes on their worldwide income. Normally, the pattern was for the wealthy businessmen who bought these second passports to settle physically in third countries or tax havens.

In 2001 Big Brother made a great fuss about terrorists using second passports to travel and do mischief. Countries issuing them were pressured to shut the programs down. Needless to say, no terrorist would ever go to the bother of investing hundreds of thousands of dollars and going through a tough criminal record check just to be able to detonate a suicide bomb. First off, penetrating most borders is and always has been pretty easy. Millions of illegal immigrants come into the USA and First World countries every year. They even travel home for Christmas and then back to their jobs in January, all without papers. And if a terrorist wants a passport it is easy to buy a stolen passport. Serious bad guys will kill someone of similar physical appearance and use their passport.

The new fingerprinting and iris scans might reduce the use of stolen and forged passports for a while, but the clever people in the underworld would soon figure out how to alter stolen or forged passports to have the physical coordinates match those of the bearer. The new systems are only as strong as their weakest link. It only takes one corrupt passport officer to issue a real passport with fake details. However, terrorists rarely if ever use stolen or forged documents. Like those who destroyed the Twin Towers, they simply travel on legally issued documents with legally issued visas. As a member of the Israeli secret service once said, “If an intelligent and well trained operative is planning to give up their own life in an assassination or hijacking, it is extremely difficult, probably impossible to stop them. The only way to handle terrorists effectively is to infiltrate their organization with informants at every level.”

THE EUROPEAN CONVENTION ON NATIONALITY

It doesn’t take a rocket scientist to figure out that the passport of a European Union country (or failing that, a prospective *future member* of the EU such as Romania or Bulgaria) is one of the best second passports to go for these days. The European Convention on Nationality provides for a maximum waiting period of ten years of residency prior to applying for naturalization in a European Union country. Most EU countries are shorter, five years being the more typical residence period. Some good news: the trend in Europe is towards shorter periods for naturalization. Luxembourg, for example, offers one of the best passports in the world. It is now available after five years of residence instead of the previous ten to twelve year waiting period.

THE ORGANIZATION OF EASTERN CARIBBEAN STATES

The OECS is another international grouping, similar to the European Union. From 2003 they started issuing a common passport. The reason for groups like this (or the EU) issuing a common

passport is to facilitate free trade, economic integration and the unrestricted movement of individuals. For the individual, it means he can live and work in any of the countries without any visa or work permit. Note: This OECS passport is not issued to economic citizens of Dominica. OECS members are Anguilla, Antigua and Barbuda, British Virgin Islands, Commonwealth of Dominica, Grenada, Montserrat, St. Kitts and Nevis, St. Lucia, and St. Vincent and the Grenadines.

MERCOSUR – SOUTH AMERICA’S COMMON MARKET

In 1991 the Treaty of Asunción established a Common Market and provided for the economic integration of Argentina, Paraguay, Uruguay, and Brazil. Obviously, it is a much younger free trade zone than the European Union. With the more recent incorporation of Chile and Bolivia as associate members of Mercosur, the bloc has taken the first step in its plans to create a much wider free trade and integration scheme. The area of free trade that is resulting from these agreements incorporates half of Latin America, plus much of the Caribbean population and almost 60% of its GDP.

Mercosur talks with the Andean Community will also expand this union. Colombia, Ecuador, Peru, and Venezuela are all considering joining with the group. An agreement between the members of the two existing blocs and NAFTA would set the basis for a free trade area encompassing all of North and South America, the so called FTAA, or Free Trade Area of the Americas.

From the point of view of the passport seeker, any citizen can already travel between Mercosur countries with a simple national identity card. *No passport is needed.* Mercosur, like the EU, will eventually negotiate for uniform rights for all its citizens to travel abroad without visas into other zones. Citizens from any Mercosur member are allowed to settle and work in any other member country. Goods and services are already flowing copiously between the member countries. Full free trade and free movement of citizens has not happened yet, but it is on the way. Accordingly, citizenship in Argentina, Paraguay, Uruguay, Brazil, Chile, and Bolivia (or other future members of Mercosur) will give a larger package of benefits than citizenship in a single country that is not part of an economic union. Let us now look at individual countries.

Anjouan – Official Passport Program Suspended, But Selected Government Officials Will Still Help You.

This small island in the Indian Ocean was for years a French colony. Following independence in 1974 it became part of the Federal Islamic Republic of the Comoros. But the Comoro government was highly unstable, even by African standards. Dozens of military coups took place throughout the seventies, eighties, and nineties. A legendary French soldier of fortune, Bob Denard, took over the country and made himself the Supreme Leader, for a while. In his autobiography, Denard asserts that he routinely issued regular and diplomatic Comoro passports to all his friends and colleagues. Denard himself was the subject of an arrest warrant in France, but he still managed to do a deal with the French secret service exchanging Comoro passports to be used by French secret agents for a new French identity that he used himself. Many passports

were also issued to South African officials in return for cash, thereby allowing the South African government to make deals circumventing the embargos of their apartheid period.

In 1997 the Island Of Anjouan broke away from the Comoros and declared independence. In 1999 a French PT, F. Leclerc, made a deal with the Anjouan government obtaining exclusive rights to set up and run an offshore center. They announced an ambitious program that encompassed all the things that those who dream up 'new countries' are always proposing. It included licensing banks, captive insurance companies, ships, international 'offshore' companies, and internet casinos.

Unfortunately, the election of a new government in the Comoros and the end of the 'Federal Islamic Republic,'(ushering in the new 'Union of the Comoros') led to reconciliation with separatist anarchistic Anjouan. Re-unification snuffed the Anjouan Offshore Center. The official Anjouan citizenship program is now on indefinite hold. However, we understand that in the general confusion, legally issued Comoro passports and diplomatic appointments are still available on the grey market at relatively low cost. By the way, a certain Chinese gentleman based in London has supposedly acquired such credentials and is apparently using them to sell fraudulent banking licenses.

Argentina – Benefits Include Visa-Free Travel to the USA

Argentina welcomes over 100,000 immigrants per year, but even greater numbers of Argentineans have been leaving! Following the devaluation of the currency and the economic crisis of the past few years, everything (real estate, cost of living, etc.) has become much cheaper in Argentina. Unemployment is rampant. The large cities are much more dangerous than they used to be. The continuing economic crisis means that government employees don't always get paid on time, or at all. To survive and pay their rent, they must sell their discretionary powers to issue and put their rubber stamps on various documents.

This has made it relatively easy to acquire citizenship and a passport if you sniff around a bit. Typically, one needs to fly to Buenos Aires and track down a good immigration lawyer, who will see to it that all necessary documents for residency are in proper order. We are told that one can end up with what is in effect, a legally issued certificate of naturalization, a cédula (photo identification card), a driving license, and the coveted Argentine passport in one or two quick visits to Buenos Aires.

There are several legal government programs. These are more expensive and not instant. But for one who has the time and the spare cash, a legal program is better for most people and will withstand later scrutiny. As you know from all our prior comments, we always refer our readers to legal and properly authorized sources. We prefer that you do things by the book and legally. We also recognize that where urgent needs and personal survival is involved, expediency may sometimes over-rule other considerations.

Argentina is the only Latin American country currently enjoying visa-free travel to the USA. Obviously, this fact alone makes this particular passport very attractive for business people. One lawyer of our acquaintance has told us that any person who makes an investment of

approximately US\$100,000 in an approved investment scheme set up by him can obtain legal residence for himself, spouse, children, and parents. This results in a *cédula* good for residence in Argentina if you want to live there, plus travel and easy citizenship by residence in the Mercosur zone (Brazil, Paraguay, Uruguay, and Argentina). The *cédula* is issued almost immediately. Citizenship comes two years later. Argentina recognizes dual nationality and has a liberal immigration and naturalization policy. After just two years of residence, one can apply for Argentine citizenship.

Argentina unfortunately taxes residents on their world-wide income. According to the *Wall Street Journal*, only about 3% of wealthy Argentineans who should pay taxes pay any income taxes at all. Due to its cheap land and large, unfarmed areas, Argentina has recently provided a good escape hatch for distressed white farmers from Zimbabwe. Land and businesses are priced at a fraction of what they were before the economic crisis of 2002-2004. In our opinion, it appears to be a good time to buy a large tract of forest or agricultural land, or a nice apartment or home in the city. Even if you don't have any need for a residence or passport, Argentina is a great playground, a fine place to live and invest. We have personally lived in Argentina. Aside from its inefficient and corrupt governments it is nearly perfect in every other way.

One negative is the succession of incredibly inept, kleptocratic governments. Starting with Juan Peron, prior to World War Two, these quasi-fascist governments have transformed the country from one of the three richest in the world to its present Third World status. The gorgeous broad avenues of Buenos Aires look as if they have seen better days. And they did, sixty years ago! Yet there are opportunities and it is a great place to live and enjoy life if you already have assets abroad. Argentina offers gorgeous scenery, immense stretches of waterfront property, low living costs, good looking, tolerant, intelligent people (mostly of Italian descent), and also great steaks, grilled meat, and the best wines in the Americas! Argentina is PT heaven—*Perfect Territory*—and one of the best passports too. To find out about legal programs publicly advertised, you should contact your nearest Argentinean Consulate or Embassy. Start out by asking them about immigration opportunities. They never admit to or call their programs 'Second Passport Deals.' It is politically incorrect for any government to admit to servicing people who just want a better travel document.

AUSTRALIA – ANOTHER ONE OF THE BEST, IF YOU QUALIFY

Australia offers another one of the best passport-by-residence programs, if you can qualify. Obtaining residence rights under their points system can be difficult in the first place, but once you are given the OK to immigrate, you are home free. You can get the point qualification chart from any consulate and quickly figure out if you qualify, or rather, if you are smart, figure out *how* you can qualify. It all depends on your age, education, and what skills are currently deemed in short supply. However, note: Points can be added to your score by simply agreeing to invest money in Australia. Here 'investment' really means a (hopefully) profitable business that you choose. Unlike in Third World countries, it is not just a way of throwing away your dough into a politician's pet scheme. Just two years residence is required to apply for an Australian passport. This residency requirement can also be waived if you serve in the Australian army as a reservist for three months. (Editor's Note: We would not recommend it. Why? Old Army Proverb: "Never

Volunteer!” Australia has a long history of taking heavy casualties fighting other people’s battles. If you’re interested in this subject, Google the ‘Battle of Gallipoli.’)

Historically, Australia frowned upon dual citizenship. But as of April 2002, dual citizenship is allowed without any restrictions. Australians who lost citizenship (and possibly the passports of their children) by acquiring another passport prior to 2002 can now reclaim it. Could Australian citizenship by ancestral right apply to any members of your family?

Beware: Australian taxation is on worldwide income and relatively high, but unlike USA citizens who are taxed wherever they live, the Australian income tax applies only to physical residents. That said, there are quite a few asset protection loopholes like trusts that can be legally used by persons who immigrate there and own offshore assets. The Australian government is one of the least corrupt on Earth, up there with Finland. Don’t try bribing anyone in this fair and pleasant land, not even traffic cops. You may land in the pokey.

The East Coast and one city named Surfers Paradise are on our list of top ten PT playgrounds. For surfers, the waves and year-round spring-break party climate is near perfect. It is old time California in the days of the Beach Boys about fifty years ago! Because Australia is in the wrong military orbit, Islamic terrorists do target Australians sometimes. But we wouldn’t worry about it. The odds of any individual being injured are somewhat less than being struck twice by lightning bolts. The Australian passport is as good as any for visa free travel.

AUSTRIA – YOUR PATH INTO THE EUROPEAN UNION

Austria is one of the most open doors into European Union countries for non-EU citizens. If you are seeking a new residence or passport it’s well worth considering. It has had an economic citizenship program for many years. It is never identified or advertised as such. Perhaps Austria prefers to avoid heat and also to distance itself from competitors at the low end of the market like Dominica and St Kitts. Austria, by the way, has no kangaroos. It is located to the south of Germany. Austrians speak German. The capital is Vienna, arguably along with Paris and San Francisco, one of the three most beautiful and livable historic cities in the whole world. The location is at the heart of Europe. Austria is bordered by Switzerland, Italy, Germany, Hungary, and Slovenia. Its favorite son is Arnold Schwarzenegger, ex-body-builder, movie star and recently Governor of California. He is a dual-citizen.

Austrian legislation provides for the possibility of granting citizenship to an alien if he or she ‘contributes in an extraordinary manner to the interests of Austria.’ Such contribution may be in an economic form. This program has been popular with musicians, academics, and big-time investors in the past. Since 9-11, it has become much more difficult to acquire citizenship by merely investing. Only a very few cases are approved each year. Some people have made the necessary investment only to be then turned down after their residence period for citizenship. Usually denial is for ‘moral reasons.’ The problem being that a few retired drug dealers became Austrians in this way. There was a resulting scandal. Austria is extremely sensitive now. This is partly because two recent national leaders were identified as Nazis or Neo-Nazis. The nation was subsequently treated as a pariah for brief periods. Austria does not wish to be seen as a haven for people with shady pasts.

If you are whiter-than-white and have substantial funds available (a minimum investment of approximately one million euros is generally required), and if you are prepared to invest these funds in a suitable business project in Austria, you still have a good a chance. If you don't have big bucks, Austria is also more generous than most countries when it comes to admitting people on the basis of an asylum claim. Talk to an Austrian immigration lawyer.

Another Austrian instant citizenship program allows academics to obtain citizenship through appointment as a university professor. This is based on experience, reputation, merit, and governmental discretion. Here is the little known open door to Austrian citizenship. If the academic or instant investor's citizenship route seems too expensive or uncertain, Austria also offers the possibility to become resident in the European Union with minimal requirements. The key is to be able to show sufficient funds (you must be able to show that you have at least an earning capacity of US\$ 25,000 per person per year), permanent accommodation in Austria and health insurance providing full coverage in Austria. An Austrian residence permit and resident's photo-ID card allow you to travel at will to all Schengen states, plus EFTA associates like Switzerland, without the need for any passport or visa. After six years of *unmonitored* legal residence, and in many cases even earlier, it is possible to apply for Austrian citizenship. This program has proven especially attractive for Russians and Ukrainians in the past.

European Union or EEA citizens and those who have been granted asylum may apply for citizenship after four years. As in all countries, the path is smoothed by learning the local lingo, customs and a bit of history. How to spend your time in Vienna? Your writer has found that there are many language schools catering to foreigners. One can take a crash course in German. There are also many fine universities and MBA courses. We personally spent some time at the world's only school that we know of for training high level diplomats. Courses in Vienna are usually taught in both German and English.

Another interesting concession allows for tax-free residence, again at governmental discretion. Can you show that your presence in Austria is in the public interest, or that it contributes to the positive development of science or technology? The Minister of Finance may officially reduce or eliminate your tax liability or *Zuzugsbegünstigung*. This status must be confirmed and renewed by the Minister of Finance every year. As a practical matter, one can pay minimal taxes during one's official residency period, and thereafter either stay on the tax rolls, or travel and live as a PT.

Vienna, Salzburg, and other Austrian cities are among the most beautiful and cultured in the world. For urban living, horsemanship, fine wine, and food, Austria is a top rated playground. It has been a great place to invest from or just use as a banking base. Secret accounts were the norm, but under recent treaties, for confidential banking, it is necessary to use an intermediate corporation or trust.

BELGIUM – Shortest European Union Residence Requirement

Following a revision to its citizenship laws in 2000, Belgium now offers the fastest naturalization program in the European Union. The general waiting period was reduced from five years to three, and down to just one year in certain circumstances. The basic requirement is simply to set

up a new business in Belgium and pay taxes during the residence period. Getting a job there is another possibility. Unfortunately, Belgium does not permit dual nationality except in case of marriage. But the reality is that Belgium can do nothing to cause people like Canadians, Americans, Italians or Brits to lose their prior nationalities, even if they are obliged to renounce in the course of obtaining a Belgian passport. In fact, most countries will not take away your prior citizenship even if the country of your second passport insists upon an 'oath of allegiance' renouncing all others. The famous one-time fugitive billionaire Marc Rich travelled on (and still has, we believe) Belgian, Israeli, USA, Swiss and Spanish passports.

The required residence period should normally be spent mostly in Belgium. It is necessary to rent or buy a home. You can travel abroad however. Abroad is only a few minutes car ride from many places in tiny Belgium. Several times, at random, a local municipal policeman will be sent to ring your doorbell, ask the neighbors about you, checking at the residence address where you are supposed to live. If you never sleep there regularly an adverse report may be filed. Unless you can explain that your absences were temporary or related to your Belgian business activities, you may not get your Belgian passport. Seriously!

But after residence is verified during the first year, the government pays little attention to actual presence so long as the business you are conducting is maintained and some taxes are paid. Belgium hopes for taxes in the range of 30,000 euros per year or more. As always, you should learn the local language. Belgium has three official languages: French, Flemish and German. Also, everyone in business speaks English. But we recommend you try and learn enough to communicate reasonably well in French.

The three year physical residence can be waived if you lived abroad but can show you maintained ties to Belgium in that time. You might for example live in a neighboring country but commute to work in Belgium. Or you might be representing a Belgian manufacturer in Hong Kong. Your immigration lawyer will keep you on the right track. Although income taxes are high and a resident is technically taxed on worldwide income, there is no capital gains tax in Belgium. There are also generous tax concessions for foreign executives posted here. Furthermore, Belgium's more depressed federal regions, such as Wallonia, offer many tax concessions to encourage new investment.

Perhaps most attractive 'option' of citizenship is through marriage. This works for most countries and allows you to keep your former nationality. The rules vary from country to country. In Belgium you must prove that you have been living together with a Belgian citizen (unmarried cohabitation is treated the same as marriage) for three years, though not necessarily in Belgium. This period is reduced to six months after marriage or co-habitation started if you have been legally living in Belgium for at least a total of three years.

Another interesting provision is that anyone who has been erroneously considered Belgian by the Belgian authorities for at least ten years is considered Belgian. This is to be proven by such things as Belgian identity papers, a passport, inclusion on the voter registration lists or military service. This provision is clearly designed to regularize illegal immigrants, but could equally apply to a creative PT who has managed to obtain some local ID papers from a Belgian town hall or consulate. We must add parenthetically that Belgium was and probably still is considered the

most corrupt country in Europe. Most government bureaucrats were on the take and were joked about in Europe as ‘the best civil servants that money can buy.’

Things were supposedly cleaned up a bit in recent years when a huge pedophile ring (protected and used by a number of mid-level and high public officials) was exposed. There had been kidnapping, sexual slavery of children and several child murders connected with this group. Police and public officials were in the midst of it and protected the guilty. While official corruption had been winked at for generations, this situation was just too much for the Belgian people. Mass protests resulted in criminal charges against the perpetrators. Some of the bureaucrats who worked with them were implicated and fired.

Talking of corruption, Belgium was the major source of fraudulent passports and other government documents in the 1990s. Belgian passports were traditionally hand-written and blanks could be filled in for local applicants on the spot by low-level officials in town halls. This was the situation up until 2001. Passport blanks were often left in unlocked drawers in every municipal administrative center. Belgium had the highest level of bureaucratic corruption in Europe. Journalists called it the “sewer of Europe,” and it was known as a center for organized crime. As you might imagine, quite a few passports found their way into the hands of seriously evil men. Thousands of passports were issued to women the local Mafia brought in from Eastern Europe to work the brothels of Amsterdam.

Besides the corrupt officials, or perhaps because of them, many Belgian town halls were not physically secure. Yugoslav and Albanian organized crime gangs recognized the potential well before the Belgian authorities recognized the need for security. Starting in 1994 these crime rings began an astoundingly successful series of burglaries at municipal buildings in Belgium. Then, as Belgian bureaucrats slowly reacted and tightened security, Belgian consulates in France, the Netherlands and Germany were also burglarized and still more blanks were stolen. It is said that at least 20,000 blank Belgian passports found their way onto the black market. To make matters worse, there was no central record of passports, neither legally issued nor stolen blanks. All data was recorded locally in hand-written files.

This chaos was largely rectified at US insistence. The USA in 2002 threatened to cancel visa-free travel rights into the USA for Belgian passport holders. Belgian passports are now of a new design: high-tech and machine readable. They are issued centrally at a high security facility outside Brussels, and backed up by online records. But you could still be offered one of the many stolen blanks still floating around on the black market. Be warned: the serial numbers of all stolen passports are now known and indexed. These numbers have been registered with Interpol and the information is available to border posts worldwide. Black market documents are to be avoided. All old-style Belgian passports are considered questionable documents at borders these days.

Can you use such false documents to trick the Belgian authorities into believing you have been legally considered Belgian for ten years? As you recall, local law makes such people, even with false documentation, eligible for new and legitimate documentation. Do you have brass balls? Can you speak Flemish or Belgian-accented French? Belgian administration is notoriously inefficient and decentralized so this ruse actually has a good chance of working. It is apparently

not too hard to find bent local officials who will assist you in exchanging bad paper for good paper. But we believe this is a risky route of last resort. We don't advise it.

BELIZE – Will They Always Be Selling Passports?

Belize was an early entrant, perhaps the first nation ever to sell economic citizenship authorized in an official, legal program. A retired citizenship lawyer 'Dr. Tom Sawyer, PT' takes up the tale of how he started this program:

I was a lawyer in Los Angeles back in 1980. In the course of my practice, I represented quite a few Belizeans. They were a happy-go-lucky bunch of black kids who brought marijuana, and later coke, up from South and Central America in surfer-vans, small planes, and boats. Many were moderately rich. When they had scrapes with the law, I represented them and invariably got them off by voluntary agreements to leave the country (USA) and not come back. One of the kids I represented paid his fee by giving me in lieu of a fee, a legally-issued Belize passport in my name he said was worth \$5,000. It turned out later that he had paid only \$300 for it.

Some of the Belizean kids were real entrepreneurs. Besides weed, they sold legitimately issued Belize passports to their fellow American, Jamaican, Mexican, and Colombian drug smugglers for whatever the traffic would bear, usually around \$1,000 a pop. They would buy the blanks from clerks in the Belize passport office for \$300. If the client wanted an officially certified birth certificate from Belize, that, too, could be obtained at small cost. As it turned out, I eventually learned that I had been conned into taking a \$300 passport of no particular use to me instead of a \$5000 legal fee. Getting shucked and jived (a Belizean expression for being swindled) was to be typical of my Belize experiences.

The Belize passport, however, was an excellent document, especially for a Caribbean black who spoke English since Belize was an English speaking country. Unlike a Mexican passport, Belize documentation was good for visa free access to many countries including the UK, Canada, Australia, and New Zealand. It was easy to get a USA visa, because Belize had a tiny population of around 200,000 half of whom were already in the USA. The registrar would register any names given to him by the young entrepreneur and the passports so-issued were backed-up, and fully legitimate. In those days, nobody in law enforcement cared much about passport frauds. In fact, the maximum jail time handed out for travelling on fraudulently issued documents, even USA passports, was around three months. That of course was in the good old days.

I figured out a plan where the informal penny-ante traffic in passports could be a big money raiser for the Belize government itself. I felt, 'why not benefit the dirt poor citizens there?' So I went down and made an appointment with the then-president. He was a simple black preacher who lived in an Abraham Lincoln style one room concrete block, tin roofed cabin. He liked my idea to sell the Belize passport to individuals approved by a committee of one, namely myself. The only requirement was to be of 'good moral character.' The preacher decided he didn't want any criminals using the Belize passport. Each passport to be sold by me would put \$10,000 in the Belize public treasury. I intended that another \$10,000 service charge per passport would go into my personal treasury. The total cost to the buyer was to be \$20,000.

My program was very simple. The president felt that as long as some of his ministers could also get some personal fees out of the deal, it was doable. He charged me with the duty of drawing up a new law, which I did, but the ministers proceeded to change my law. The Health Minister wanted to personally give medical exams to all applicants. The Interior (Police) guy wanted to do his own interview and be able to charge a fee for it. The law, even before it went to the parliament for final vote, grew more and more complicated. Each Minister wanted to give himself a piece of the action. Or as a famous comedian (Jimmy Durante) used to say, "Everybody wants to get into the act!" The law became top heavy.

Finally, after years of my pushing, shoving, begging, and pleading, Belize changed its Constitution and nationality laws in 1986 to permit a grant of nationality on the basis of the purchase of a 10-year Belize bond, paying no interest. This program was established, with the blessing of the UK government in London, the former colonial power. The Brits were convinced that the Belize passport program would help relieve some pressure from wealthy Hong Kong British subjects. They felt that Belize could provide a new business base and a good travel document for wealthy Hong Kong citizens concerned about the return of Hong Kong to the People's Republic of China in July, 1997. The program was unanimously backed by both the major political parties in Belize as early as 1984.

Unfortunately, at the last moment, Belize did not entrust me with being the agent to handle the program. After all my years of work, they turned over the deal to a guy I nicknamed 'Superman,' because his name was Clark Kent I believe. Anyway, I heard that the guy who hijacked my deal did not have smooth sailing either. Various officials demanded ever increasing bribes, sorry, fees. Even the most humble passport office clerks demanded the right to participate in the gravy train to replace their lost income from the \$300 passport sales.

The government originally granted the exclusive right to locate and interview acceptable clients to Belize Orient Corporation, an entity owned by a Clark Kent, or was it Kent Clark? He had been an Assistant Secretary of Commerce. He was to personally get a fee of about \$12,000 on each new citizen. Belize was to get around US\$13,000 cash for its treasury from each new economic citizen. This was later raised to \$25,000. We have since noticed that greedy Third World countries can't resist sinking their 'official' programs by continually raising prices and the required fees until there are no more buyers.

But back to the original Belize deal. There were 1,000 investment slots authorized, the original Superman theory being that the total Belizean national debt of US\$25 million would be retired by selling passports. My original idea (as also floated by Belize Orient) was that people who took this economic citizenship would never set foot in Belize. They would use the Belize passport to become what only later became known as PTs. The program would have been successful, but various ministers almost immediately undercut the efforts of Superman and his Belize Orient Corporation for personal enrichment. They all demanded faxes which were then quite expensive, and the latest 'must have' item for bureaucrats. Other investments were required, namely the purchase of worthless, non-accessible plots of land belonging to the wives of government ministers.

Also, the ministers wanted equal standing with Belize Orient so that they could personally send relatives to Hong Kong to sell citizenships and keep the \$12,000 administrative fees ‘in the family’ as it were. Consuls were appointed and sent out to Hong Kong and Taiwan to sell passports in competition with Belize Orient. Sales were made to all comers including Taiwanese. The Asians were led to believe that this backwater slum was going to be a new Hong Kong. This sales pitch led to an unexpected influx of actual, full-time Chinese immigrants to Belize. New immigrants had to pay to the ministers personally an administrative fee of whatever the traffic would bear. Belize Orient applicants were delayed and denied, but the Ministers sold and approved each other’s passport applications like hotcakes. Many became multi-millionaires. Superman’s business withered away to nothing.

More than 15,000 Chinese moved to Belize, a country of only 200,000 in population, with at that time over half of the official population living up north in Big Brother Land. These Chinese immigrants opened new businesses and competed all too effectively with the local population who, as mentioned, were a fairly lackadaisical bunch of fun-loving pot smokers. A German religious group, much like the American Amish, did all the legitimate agriculture. The pot (marijuana) was grown by locals. All legitimate commerce—stores, banks, restaurants, imports and exports—was soon in the hands of the Chinese.

When I was in Belize last in 1985, the country was run like a slapstick comedy movie set. More than half the black Belize population was growing or dealing dope and living half the time in California. The USA had just initiated a ‘foreign aid’ program for Belize. This amounted to giving away \$3 million worth of brand new Japanese Yamaha motorcycles, which went to all the politicians’ kids. Nominally the program was supposed to provide transportation for rural school teachers. For a few months, the kids tore up the jungles with these bikes. They killed and injured each other with abandon and chased most of the once abundant four footed wild life to exhaustion and extinction. Within six months, all the bikes were wrecked and the racket was heard no more.

I am not sure what the USA achieved with this handout. Maybe it was the shutdown of the first passport program. As mentioned, there had been some quality control by Belize Orient, but under the minister’s discretionary semi-clandestine land sale program, besides the unwanted Chinese settlers, a lot of serious criminals, high level Colombian dope dealers, and all kinds of assorted criminals and fraudsters ended up with the Belize passport.

This became a national scandal and an election issue in 1989. The old administration got the heave-ho. Once in office, the new guys cancelled the program publicly and promised that there would never be another program. Yet having tasted the easy money to be earned from selling passports, from 1989 through 1994, more Belize passports than in the first program were sold by government officials on the basis of ‘discretionary grants.’ About \$25 million worth of passports were sold at the new ‘whatever the traffic would bear’ market price of up to \$100,000 each. During that 5-year period, not a dime found its way to the public treasury. Belize Orient could not compete. With its fees circumvented by the politicians, it was disbanded.

In 1994, with another flood of Chinese immigrants again showing up, and highly visible evidence of grey market sales, the secret program became an election issue again. Once again the

new administration was tossed out on its assets. But two successive sets of politicians had become very wealthy men by selling passports. The new reform candidates again promised that there would never be another program. But politicians will be politicians. The Belize passport office was a goose that was laying golden eggs. Passports were Belize's second most important export after dope. Another new program was announced in January, 1995.

The resulting 1995 program, which was no longer tied to bonds, was based on a direct cash contribution and registration fees. The asking price was \$100,000 but suddenly sales dried up. Belize it seemed had finally priced itself out of the market. Then Belize lowered the price to attract wider interest in its internationally known program. Around the same time, unexpectedly, Canada and Switzerland rescinded visa-free travel for Belize nationals.

By 2001 the cost for a single person had to be discounted, to \$40,000 down from its high of \$100,000. Sales went on until Belize announced the termination of its last program after 9-11 when the USA linked it to 'narco-terrorism.' Of course many drug dealers, but not one terrorist, ever used or obtained a Belize passport. We also doubt that a single dollar of the profits ever went to finance anything but fancy homes, 'ho's (whores), cool cahs (SUVs), Blang Blang (jewelry), and plenty of parties serving Belikin beer and local rum.

As of 31 December 2001 the Belize passport program was dead. There is still the old legal residence program in Belize. This will lead to nationality after three to five years of legal residence. It is one of those grey area programs now. The years can be discounted with a bit of creative rubber stamping by bureaucrats. But the Belize passport is not nearly as good as it used to be. And my old \$300 passport? The embassy clerk wouldn't renew it unless I paid her a \$20,000 gratuity! My guess is that a local boy could have negotiated for a lot less. But for a rich foreigner (all foreigners are rich according to Belize logic), the motto is 'soak 'em good.'

Everything you need in the way of passports (or for that matter, any contraband) can still be bought on the grey market in Belize. Every few years there is a media scandal. Official immigration procedures are then tightened up. But these crackdowns only seem to last a few months. Then things return to kleptocracy-as-normal in good old Belize. Of course, as mentioned, permanent damage has been done to the Belize passport and it is doubtful that it will in the foreseeable future have the stature and visa free rights that it once enjoyed. Every Belize passport is now somewhat suspect.

BOLIVIA – Civil Unrest Creates Passport Opportunities

Bolivia has the only quasi-governmental grey market passport program we know of. Strange as it may seem, private corporations can and do solicit 'non-refundable investments' from foreign nationals on behalf of the Bolivian government. This leads to a grant of residence and subsequent expedited naturalization. We hear the going rate is around \$50,000 for the 'investment' plus handling and administrative charges that seem to be set at whatever the traffic will bear. Bolivia is currently in a state of civil unrest. Government powers are partly in the hands of populist indigenous politicians sponsored by drug barons, and partly in the hands of politicians bought and paid for by Big Brother to the north. There is a real tug of war going on. In the meantime, in Bolivia and neighboring Columbia, there is a general state of lawlessness much like in the USA

prohibition era. But instead of booze, it is cocaine that's at the heart of the conflict. Passports are very much a side issue.

It is certainly possible to obtain Bolivian passports for cash, but it is hard to know which passports are considered legal by the government, and which are not. Nonetheless, Bolivian passports are a huge step up from Columbian. Bolivians enjoy visa-free travel to all the European Union. But still, crossing borders or coming into a respectable bank clutching a passport issued by a major cocaine exporting country is not the most confidence-inspiring move. In fact, unless you are a very good actor, it will probably cause much sniffing, snuffing and Samsonite-searching. But a Bolivian passport saved many a German fugitive after World War Two, and not a few more modern military men are probably laying low in Bolivia now. Because of a generally ineffective and anarchic system, Bolivia is a good place for criminals who want to lay low. Not that we are trying to help such people, but as we noted before, we are simply telling it like it is.

Taxes? Not something anyone worries about down there. The residence period required for naturalization is two years. The language is Spanish but there are many indigenous natives who have their own lingo. It is Third World, cheap, quaint, corrupt, and colorful. We are also informed that Americans will have a particularly hard time getting Bolivian citizenship due to the US influence and the anti-drug programs in the region. Big Brother assumes that any American who wants to become a Bolivian has to be a 'narco-terrorist.'

BRAZIL – Best Passport in Latin America & Best Place to Disappear

Brazil has never offered an 'instant' program, although stories of grey market passports abound. The largest South American country is one of the most attractive to second passport seekers. Its passport allows visa-free travel in much of the world. It is in fact almost as good as the Swiss passport. The incredible ethnic diversity of Brazil means that, say, an ethnic German, Chinese, or Russian person travelling on a Brazilian passport will not look the least bit out of place. Brazil does, however, offer several legal residence programs which lead to fast track naturalization in as little as two years. Some of the advantages are:

1. The right of the applicant to work in Brazil.
2. Minimum amount of time required per year to be there. You can satisfy residence requirements by visiting Brazil just once every two years for a few days to renew your permit.
3. The program is pre-approved by the government.
4. Highly favorable tax and extradition laws.
5. Includes entire family including spouse and children up to 18 years old.

The program grants *Resident Investor Status* in return for investment of around \$200,000 in a local business. A visit to Brazil is required for about 10 days for processing. Unlike other Brazilian residency programs which restrict you and your family to certain areas of Brazil, the

Investor Program offers residency anywhere in Brazil for applicant and family. After two years the entire family can apply for citizenship and passports.

If you are single, a passport is possible after one year and marriage to a Brazilian citizen. This can be easily arranged by consultants, but any single male will probably need no help given the legendary beauty and availability of the Brazilian female population! If you like cappuccino colored girls, the most gorgeous, sexy, mixed race beauties are to be found on the beach at Ipanema or Copacabana, or anywhere else in Brazil for that matter. It is not by chance that your author spends a lot of time in this particular playground. It is in fact hard to avoid being seduced by one of these vixens (foxes). To find one to marry you and have your child, just snap your fingers. They'll come a-running!

The one-year residence period also applies if you have a Brazilian child (a Brazilian mother is not necessary, since any child born in Brazil is automatically Brazilian), if you adopt or sponsor a Brazilian child (that means paying minimal maintenance costs until the child reaches 18 years) or if you are a native of another Portuguese speaking country. That means such diverse places as Mozambique (Africa), Macau (China), Goa (India) or of course Portugal itself.

What if you are tired of the world, and need time to hide out, re-group, and revitalize body and soul? Brazil must be *the* place. It is so huge, it is easy to disappear here. It's a pleasant place to live, with all the conveniences of your home country, nothing like Bolivia, for example. Brazil offers so much variety in lifestyle. You can choose between cold, Germanic style cities like Porto Alegre, or international cosmopolitan centers like Rio, or just disappear into the huge 'interior.'

The authorities don't ask too many questions of foreigners, and neither do they like answering questions from other countries. What goes on in Brazil is their business, and they don't like foreign governments interfering. Brazil is big enough to 'just say no' to pressures which smaller countries would succumb to. We love this attitude! It is also known that there are certain hotels and apartment rental operations in Brazil that have 'working relationships' with the local police to achieve extra security and privacy for their guests.

Footnote: Brazil will not extradite any person who has fathered and supports a Brazilian child. Ronny Biggs, the famous multi-million pound train robber openly lived here with his son and gave interviews for years. He thumbed his nose at British authorities. We heard that as an old man he returned to London, having made a deal for a quiet welcome that included medical treatments he needed and a very short jail sentence giving him a place to stay for his recuperation. But when he arrived in London, the British government backed out of the deal and left him lingering in jail.

CANADA – Arguably the Best in the World

Canada has no enemies. The cost in time, money, and paper-chasing of becoming a Canadian is less than for many unattractive offerings. Canada, like Australia, is *not* corrupt. In many cases, for well-educated applicants and/or those with special skills, no investment is required. Even those without any special skill can currently enter as 'caregivers,' if they agree to be a nanny,

nurse's aide, or a companion to an aged person. Usually preference is given to those who speak French or English, the two national languages of Canada. Outside of the Province of Quebec, English is the *lingua franca*. People who sign a contract to work a while in the less popular, less populated areas are also given preferential treatment in immigration matters. Check with a Canadian consulate for their current list of preferred immigrant occupations. The preferences change regularly with the perceived needs of Canada.

Any foreign citizen who is legally resident in Canada may travel visa-free to the United States. As a practical matter, any Canadian resident can visit the USA for up to six months any time he wants to. With a passport, more countries offer visa free entry to Canadians than to any other country's passport holders.

The Canadian Investor–Immigrant Program

Canada has run, since the 1950s, the most successful, popular, and profitable investor-residence program in the world. Canada's example is one of the few 'lily white' programs that many countries would benefit by following. They have attracted many billions of dollars in inward investment. Canada gained perhaps a million productive, intelligent, educated, and hard-working new citizens. These new arrivals have revitalized the sleepy far west of Canada and have made Vancouver into an economic powerhouse, the largest Chinese city in the world outside of China!

With proper tax planning, there is little or no tax in Canada during the short three-year waiting period for citizenship. Dual nationality is permitted and even encouraged. Full-time, continuous presence in Canada is not necessary and the passport is first-class, far better for visa-free travel and personal safety than the travel documents of its bigger southern neighbor (the USA if you didn't already know).

To qualify as an investor, without starting an active business, one could qualify buying certain Canadian bonds. Or make required bank deposits. The net loss to the investor in a purely passive scheme would be roughly US\$50,000. Legal fees in Canada might be up to another US\$15,000. Government application fees would be US\$2,500 for the applicant, spouse, and one child. The applicant would be required to rent or buy a home in Canada. This will cost about US\$5,000 per year. An advantage of the investor category is that one need only spend 30 to 90 days per year in Canada to have that year count towards citizenship. The big disadvantage is that as a passive investor one loses around US\$50,000 worth of capital.

A far better alternative in our view is to qualify under the entrepreneur program. This requires bringing capital of about US\$100,000 into your own business. Because one could use this money to manufacture or to buy and sell goods, or to invest in almost any venture, like forestry, this capital can work for the applicant. The money need not be lost unless one makes a serious business blunder. The disadvantage of the entrepreneur category is that one is expected to spend more time in Canada, on the theory that running a legitimate full time business there takes some watching. However, it depends on the nature of the business. Exporting Canadian products might require the majority of one's time be spent abroad. In any event, with a real, documented business, one should be able to reduce his presence in Canada in the latter two years of the three-year residence period.

If one likes skiing, the city of Vancouver is just about the only place on Earth where a big-city Metro (subway) can be taken all the way to the ski lifts at a first class ski resort, Whistler B.C. Although you can own waterfront property looking out on the Pacific Ocean, you can forget about doing a lot of swimming unless you enjoy feeling like a Popsicle. However, sailing, fishing and golf are very popular activities. The legal fees and housing costs are lower than in the US and Europe. This writer actually went through the whole process on a do-it-yourself basis. I spent nothing on legal fees. Even rents were avoided by merely trading the use of my ski chalet in Davos, Switzerland for an equivalent in Whistler.

From the time one applies abroad until the date one is given landed immigrant status will take nine months to one year. Once permission is granted, there is only a short window of a few weeks, during which one must show up physically in Canada. After three years as a resident, one can apply for Canadian citizenship. That final process currently takes 3-4 months.

Canada has recently passed new rules requiring reporting of ownership or control of offshore structures. It is still possible for a wealthy person to put most assets in trust before immigration so that the income is not subject to Canadian income taxes on worldwide income. Although the reporting does not entail new taxes, it is intrusive. Some fear that it could be a prelude to the taxation of the offshore income arising in these 'beneficially owned' structures.

On the other hand, if a trust is set up offshore, and the immigrant has no control over disbursements, Canada could only tax the income actually transmitted to Canada. Anything could happen during the four years while one is waiting for Canadian citizenship. But the upside is that once citizenship is granted, one can always move tax residence to an offshore haven like Bermuda and never be bothered for any more Canadian taxes. The passport is for life!

CAPE VERDE – Over-Priced Rubbish

After much lobbying by a prominent American lawyer and author, this very poor, black, desolate, volcanic African island nation (formerly a Portuguese trading outpost until independence in 1974) changed its constitution and nationality laws. This change permitted an investor to obtain immediate economic citizenship and passports for his family for US\$35,000. The spoken language there is 'Creole,' a mix of Portuguese, African languages with a few words of English, French, and Spanish. It is one of the few countries in the world with a lower per capita income than Haiti, and that is Poverty with a capital P.

The Cape Verde passport program was public and legal. Funds were held in escrow at The Royal Bank of Scotland in Zürich, Switzerland. Unfortunately, the actual processing of paperwork was very slow and inefficient. This may have been due to the refusal of the straight arrow American lawyer involved to grease the wheels with the demanded baksheesh. He can't be blamed. USA laws make it a criminal offence for American citizens to bribe any foreign official. But the bottom line is, without a bribe, nothing happens in such places – aside from famine, disease, drought, and continuing poverty.

We went to Cape Verde once, in the days when the passport program was in operation. We were planning to stay a week but we left in disgust after just 24 hours. This island is neither a place to

invest, to bank nor to go for a good time. Outside of fishing enthusiasts, nobody could ever consider it a 'playground' either. It is hard to find anything good to say about Cape Verde. In any event the first tranche of investors, after waiting long periods for their passports, became impatient and pulled out. It was a hard sell from the start because the quality of the passport was, in any event, extremely poor. Almost no one wanted Cape Verde as a prospective nationality.

The country's only profitable export was (a long time ago) slaves going to Brazil from Senegal and Gambia. That trans-shipment trade was outlawed and shut down by Great Britain around 1805. The island has been an ignored backwater on a downward economic spiral ever since. Like the Philippines, but on a much smaller scale, Cape Verde has exported a lot of people (mostly to New England) over the past two centuries. Almost as many Cape Verdians now live in the area near Boston, Massachusetts, USA as the 350,000 souls still remaining in Cape Verde! The passport sales program started in the 1980s and ended in November, 1997. There were few sales. It was considered a flop by the government and by all involved with it.

During the years your author was working as a tax consultant in Stockholm, Sweden, we regularly dined out with one rich elderly Swedish widow of our acquaintance who has now moved on to a better world. She was a lavish entertainer who spent part of the year in Sweden, and the other half living under a completely different identity on the French Riviera. She had bought into the Cape Verde program with a new name, and established legal residency in the hills behind Cannes. After about five years she obtained a fully legal French passport in her chosen new name. There are always exceptions which prove the rule. We suppose that the French bureaucrats just felt sorry for this elderly lady who was obviously harmless. Of course this was way before 9-11 and terrorism made second passports politically incorrect. It was also during the reign of a notoriously corrupt but enormously popular mayor of Nice, who finally fled to South America. It just goes to prove that creative routes to good second passports can work, but we believe even this lady could have found an easier and cheaper route.

Anyway, the Cape Verde program was subsequently restarted under different auspices, but was suspended again in 2003. We believe that anyone visiting Cape Verde in person would find it fairly easy to obtain a fast but legally issued passport on the grey market. This is true in every black African country. We'd suggest consulting a well-connected local lawyer and making your deal on a cash-on delivery basis before you go there. You can get a list of English-speaking lawyers from any embassy of an English-speaking country serving Cape Verde. UK embassy staff is among the most helpful. Bottom line? We feel there are other much better countries to try first. A passport from a poor African country has little value for visa-free travel or for banking.

CHILE – Five Year Wait for a Good Passport

Chile is the most prosperous and respectable South American country. Surprisingly, it is not so easy to find corrupt bureaucrats. Immigrants from neighboring countries like Peru, as well as western Europeans, seem to be welcome. However Russians, Eastern Europeans, Chinese and Arabic people seem to be the subject of discrimination. Chile historically has had sold residence rights in return for a \$30,000 investment. This leads to a passport after five years. This system is administered by the International Economic Relations Secretariat which is also known as PROCHILE. It is a good, honest passport. There are plenty of ways to qualify for a Chilean

passport legally. Marriage is one, as is simply going there as a tourist and hiring an immigration lawyer to figure out some pretext for getting a residence permit and later, citizenship.

COSTA RICA – A Long Time Player No Longer In the Market

Costa Rica has a long history of ‘passport by residency’ programs dating back to 1971. In those days, buying a home and a \$30,000 government bond would entitle anyone to residence. The applicant immediately received a non-citizen passport and, after five years, he and his entire family qualified for full citizenship. Somehow, however, Costa Rica attracted a disproportionate number of undesirables, including a few high-profile US fugitives. Under American pressure, the residence and retiree *pensionado* programs were terminated.

These days an investor from North America or Europe with an income of US\$1,000 per month from abroad (or a pensioner with US\$600 per month) is granted permanent residence for himself and his family. He cannot work there, but he can run his own business in another country and receive dividends. Costa Rica does not tax foreign-source income. After seven years of residence, one can apply for citizenship. However, some nationalities such as Russians, Cubans, blacks in general (not including American blacks, who are unofficially considered to be whites for immigration purposes in all of Latin America) and Dominicans are not welcomed in Costa Rica. Costa Ricans have much European blood and like to see themselves as superior to other Central Americans. In recent years, there have been a number of scandals around the Ministry of Foreign Affairs in San Jose. A few ‘honorary’ consular and diplomatic appointments were given out to persons in return for kickbacks. One big-time Czech gangster was arrested with a Costa Rican diplomatic passport in his possession at the Czech border.

DOMINICA – Successful, Grossly Overpriced Investor Program

Dominica is an English-speaking Caribbean nation famous for eco-tourism. It is not to be confused with the nearby Spanish-speaking Dominican Republic which is much larger. Since the early nineties Dominica has been promoted by a number of lawyers for its economic citizenship program. Dominica was, for a while, a decent jurisdiction. It worked for adults seeking a fully legal, reasonably well-operated program. This program was officially suspended soon after the 9/11 terrorist attacks, but we are informed it was reinstated and now operates more discreetly as a grey, discretionary program where the Prime Minister has the final say. However, since 2002 the application process has become quite complicated, even requiring applicants to pay \$3000 out of their own pockets for a background check by Kroll Associates, a private detective agency based in Miami.

The 1991 law authorizing the program was clear. The program was publicly and transparently run. (*See The Commonwealth of Dominica, Citizenship Amendment Act of 1991, Act No. 23 of 1991.*) The program had broad-based local support and there was no question of its legitimacy. For a single person, there was a concessionary price of US\$45,000. For any two adults, the cost was US\$70,000. Some government authorized consultants were entitled to offer citizenship at these prices. These prices included all government, administrative and legal fees. But, applicants had to be processed in groups of 20, so at those prices large groups were not easily put together.

As of 2004, the marketing program was changed. It now processes individuals and families, one at a time, for fees upwards of \$150,000. Reputedly at 10am on the last Friday morning of every month, the Prime Minister personally receives for coffee the potential applicants who have passed the Miami screening process and have transferred the money in advance to a government account. It is then up to the Prime Minister at his discretion whether citizenship should be awarded.

Under the old program, the public treasury of Dominica received no direct benefit. Rather, a private developer had purchased land from the then Prime Minister's family. The entrepreneur was given the right to award Dominica citizenship to persons investing in a proposed new hotel to be built on that land. The Dominica people were supposed to derive an indirect benefit from increased employment due to construction and operation of the hotel. But the hotel was never finished. Investors lost their entire investment. But at least they did get their passports.

A new administration elected in 1995 replaced an essentially private program with a public one. This was the so-called 'Re-Engineered Program of 1996.' Another new administration, elected in 1999, ran on a platform of cancellation of the program due to mismanagement of it and adverse publicity. Also, the Canadian government cancelled visa-free travel for all Dominicans because too many Chinese were using their acquired Dominican nationality to enter Canada without a visa and then overstay.

Do you see a pattern here? When a passport program becomes widely known or when it gets publicity, visa free travel rights are withdrawn. Possessors of the passports are questioned at borders, and if they admit to 'buying' the passport, they may be denied entry even with a visa. In June 2002, the Government of Dominica announced significant changes to the program, to come into effect as of July 1, 2002. However, as these proposals were heavily criticized, the Government officially suspended applications, although we hear that a few are still being processed at the Prime Minister's discretion during those Friday morning sessions.

Under the new published regulations, there are now two options for obtaining citizenship: A Family Option and a Single Option. Under the Family Option, the applicant pays US\$ 100,000. This qualifies the applicant, his or her spouse and two children under 18 years of age for citizenship. An additional US\$25,000 per child is required for each child under 25 years of age. Under the Single Option, a single applicant pays US\$75,000. In addition to the above contributions, other additional fees apply which can mount up quite substantially. In any event it appears that the Dominica citizenship program will in the future be more costly, depending on the effective increase of costs in Dominica. Other programs, in particular the St Kitts program, currently seem far more attractive.

Roger Gallo, author of the excellent book *Escape from America* and owner of the highly informative expat website www.escapeartist.com was one source who previously recommended Dominica. However in 2004 he posted the following message on his website:

I have removed my endorsement for the Dominica Passport. If anyone did buy the passport as the result of my recommendation please contact me. There are two significant concerns I have with Dominica:

1) Quality of the Dominica Passport: In this post-September 11th world, formerly-generous visa-free countries such as the UK and Canada are looking seriously at soon imposing visas on all countries that do not issue passports of the current world standard of anti-counterfeiting. Having friends at a Canadian Bank who have been involved in assisting Grenada in implementing a passport system, I know for a fact that it would take at least a year to put such a system in place in Dominica. Therefore the visa-free travel listed for Dominica would probably not stand the test of time as the Dominica Passport does not comply with current world standard anti-counterfeiting technology.

2) Security Checks: Security checks are now a requirement for Dominica. However, this has only been a requirement in the last year and Dominica has run its program with little-to-no scrutiny for a number of years prior to this. These [authorized] security checks can be provided by several different firms, ranging from small to large, therefore the standard of security checks [required] would be difficult to maintain.

These two factors lead me to believe that the current purchase of a Dominica citizenship will soon lead to possession of a very expensive but not terribly useful travel document. That is why I can no longer recommend Dominica to visitors nor for clients who do not need an immediate (within a matter of weeks vs. months) second citizenship. I realize that others may not share my pessimism about Dominica's future. While I reserve the right to re-evaluate my position, I do not want to engage in recommending something until I feel confident that the product that I am recommending will not result in a huge amount of disappointment in the product (and my advice) in the very near future. I recognize that others may take a different view, as is their right.

If that wasn't enough, in 2003 the Dominica government started a program of discrimination against economic citizens. Native-born Dominicans now qualify for a uniform OECS (regional economic union) passport and rights to live and work in other OECS nations. Economic citizens do not qualify for this passport. So now Dominica has first and second class citizens with different types of passport. For this reason we too would advise against Dominica's passports, certainly at their exorbitant current asking prices.

DOMINICAN REPUBLIC – Easy, But Odiferous

When it comes to obtaining a passport, this is certainly one of the easier ones. The DR is also one of the more attractive resort places a PT can enjoy for a long stay. It has casinos, instant marriages and divorces, plush hotels and nightclubs. For this writer, who visits frequently, it is much like pre-Castro Cuba: noisy, lively, sexy, colorful, and corrupt. Petty crime against tourists is almost non-existent. The passport can be obtained from any one of a long list of lawyers who specialize in immigration matters. For that matter, we know of a chap who got one by pure chance for \$300 from a taxi driver in Santo Domingo! On the downside, the DR passport program, if you can call it that, has been plagued by scandals. Holders now require a visa to travel almost anywhere. In 1999, a Russian man was arrested at London's Heathrow Airport with a suitcase *full* of Dominican Republic passports. By some estimates, almost 100,000 DR passports have been sold to foreigners over the years, ranging in price from the \$300 mentioned above up to \$100,000 or more.

There is no official economic citizenship program, but the law clearly allows for citizenship in as little as six months. First you must obtain residence rights. This comes automatically with the purchase of any real estate. A rural farmhouse is incredibly cheap. The normal period to apply for naturalization is two years. However, this is reduced to just six months in three cases:

- if you are running a business employing local citizens in the DR.
- if you own real estate.
- if you are married to a local citizen.

Even the six months can be reduced to a few days by the widespread practice of backdating arrival documents. Most investors therefore form a company using a local lawyer as a first step, then rent a little office and hire a cute secretary to sit there. Investments in serious tourism businesses are also popular. Hotels, restaurants, and guest houses if run well, do well. A going business entitles an investor to residency and to the six month fast-track citizenship.

After your application is submitted, the typical period of time quoted for processing any passport application is 12-18 months. However, we understand this can be expedited substantially if it is made worth the bureaucrats' while... Bottom line? Never pay any serious money in advance to anyone in the Dominican Republic, even (especially not!) lawyers. Ethical standards are abysmal. More often than not you will pay a fee and get nothing but a load of excuses. Make any deals contingent upon success, or have funds in escrow abroad, fully refundable, unless you get what you want. Don't do any banking in the Dominican Republic. You will be swindled.

ECUADOR – Invest In Bonds, Cross Fingers, Wait Five Years

Ecuador is fairly typical of the South American countries in this list. Residence can be obtained by proving either an income of \$1,000 per month (retired persons of independent means) or by investing \$25,000 in Ecuadorian government bonds. Residence leads to citizenship after a waiting period of up to five years. A Spanish language test is required. We have heard that the five year period can be substantially shortened with the right connections.

GIBRALTAR – A Tax-Free Backdoor To the UK

Gibraltar has a relatively affordable residence program which should lead to Gibraltar/United Kingdom citizenship, without the UK tax liability. Legal residence is easy to obtain, not expensive, and the presence requirements are less strictly applied than in the United Kingdom. Under a 1992 law designed to attract so-called High Net Worth Individuals, a person can obtain Gibraltar residence status by either renting or purchasing a home there, occupying it for 30 days per year, having it available for use for 7 months per year, and paying annual income tax of at least GBP £10,000. There are some luxury apartments available for sale or rent. After five years as a Gibraltar resident, one is eligible to apply for United Kingdom nationality. An EU passport holder can of course rent an apartment in Gibraltar and register as a resident or not, as he pleases, without paying anyone anything. The normal United Kingdom rule for citizenship (which also applies in Gibraltar) requires 275 days actual physical presence in each of the five years preceding the application for citizenship. Gibraltar is part of the European Union under article 227(4) of The Treaty of Rome. As in Great Britain, residence without domicile brings taxation

only on a source and income remittance basis which means if you arrange to live on capital, you don't pay any taxes.

How to do it? You put a few years of living and eating money into account 'A.' You call this account in your own books a 'Capital Account.' Any interest on that account is transferred to another account where you keep your stock trading, receive dividends, royalties and any other income. You withdraw your living money from account A. Your capital account can be topped up now and then when you sell capital assets like coins, houses, stocks, cars, etc. That is it basically, though to comply with the law it is best you have your set up approved by a chartered accountant from Gibraltar. Gibraltar is a very small tourist town where every one of the locals knows everyone else. A *well liked* foreigner can, as they say, 'write his own ticket.'

We can't think of any reason why anyone would go for the High Net Worth deal where you pay £10,000 in annual taxes, except that the physical residence requirement is not enforced as long as you own a vacant apartment there for five years. Gibraltar isn't a bad place to live the PT life. If you like Brighton, Sussex, England, you should love it. Flights to England are incredibly cheap and the airport is practically downtown. You benefit from a year-round warm climate with nearby sand beaches and Anglo-Spanish golf clubs. There's a very British, somewhat down-market, fish-n-chips style ambiance to the place. The legal and financial services are excellent. All familiar British products, services, and supermarkets are there. You are a short boat ride from Morocco, or Ceuta, a free port in North Africa. You can drive easily in a few hours to Portugal.

GRENADA – Another Caribbean Program Bites the Dust

Grenada had for a time the cheapest, fully legal family program. For a total cost of just US\$55,000, citizenship could be obtained for the applicant, his/her spouse and up to three dependent children under 25 years of age. Extra dependent children under 25 could have been registered for US\$6,000 each. There was no requirement to ever set foot on Grenada. For individuals, the total cost was US\$45,000. Since there was no travel requirement, Grenada was always less costly for a single person than Dominica was. For visa-free travel, the passport was also a better one than Dominica's. Grenada also has a treaty with Ireland which facilitated the obtaining of legal residence in Ireland. Pursuing both Grenada nationality and Irish residence was an attractive combination.

Grenada 'suspended' its program as of 24 October 2001, ostensibly to preserve visa-free travel to Canada. Still, Canada unilaterally terminated visa-free travel for all British Commonwealth citizens who do not also enjoy visa-free travel to the United States. Canada and the United States are working towards a uniform, common policy for foreign visitors, to better secure the extensive Canada-US border. We have not heard of any grey market activity in Grenada. That doesn't mean that some entrepreneur hasn't got something going on the quiet. As far as we know the Grenada Passport program is now dead.

GUATEMALA – Black Market Gone Grey

While Guatemala passports offer superb visa-free travel arrangements, the country like the Dominican Republic has had too many low level civil servants selling real passports at bargain

prices. In 2000, a new-style digitized passport was introduced. These passports are, for the time being, issued by a private company, a bank. We hear they are not open to corruption, a rare intelligent move on the part of a Third World government to ‘privatize’ this service.

At present, however, it is quite easy for foreigners to obtain residence in Guatemala. Foreign residents tend to choose the prestigious Zona Rosa or zone 10 of Guatemala City, where living is up to First World standards. There are native markets and many great sidewalk cafes, bars and hangouts that will remind you of Paris in the summer. Live music of the Guatemalan marimba (kind of a xylophone) is everywhere. The local women are attractive and on the lookout for single male foreigners. In other words, Guatemala is an undiscovered, under-rated playground. We also like the pretty, small Spanish colonial town of Antigua. It is populated by many retired Americans. Antigua has great coffee, and is probably the best place in the world to learn Spanish quickly. There is an abundance of incredibly cheap private schools catering to foreigners. Each student can be assigned a personal tutor who rapidly becomes a good friend and guide.

Simply renting a house or apartment and remitting a small amount of money each month to a local bank can qualify you for a residence permit. Living in Guatemala is dirt cheap. Simply establishing a residence there leads to a passport after as little as two years. Making some contacts or a hiring a streetwise local lawyer will definitely help you here and possibly speed up the process. Certain entrepreneurs on the Internet are offering instant grey market Guatemalan passports at around \$25,000. We have not checked out these documents and so we cannot recommend them. We are not sure if they are legally issued, backed up on computer and renewable.

HONDURAS – Instant and Useful

This Central American nation can be described as a typical banana republic, controlled by a land-owning, military aristocracy. As Costa Rica closed down its long-running *pensionado* passport program in the eighties, Honduras jumped into the loop.

The roots of ‘instant citizenship,’ Honduran-style, can be traced back to the 1980s, when Honduras proved a haven for ‘contras’ fighting the Marxist Nicaraguan Government. These rebels used some of the financial support received from Washington to buy Honduran passports, allowing them to hide out and cross borders under cover. This, it is rumored, was sanctioned and encouraged by Colonel Oliver North in person.

Naturally, after the end of the civil war in Nicaragua, the passport program continued. A few senior government officials had been exposed to a cash-making phenomenon, and as the funds and applications continued to flow in they were not disposed to the idea of closing the program down. Honduras might not be an appealing destination at first glance. However, this small country has always maintained a vast array of honorary diplomats around the world and has, as a result, superb diplomatic relations. We discovered, to our pleasant surprise, that Hondurans enjoy visa-free travel to much the same extent as the holder of a Swiss or Canadian passport.

Honduras has also proven accommodating in providing supporting documents like driving licenses, voting cards, tax clearance certificates etc. All these documents are available at nominal

cost if you were to travel to Honduras for a while, obtain residency, and push the paperwork personally through the bureaucracy. We are also informed that retaining the services of a well-known lawyer can shorten the process by several years.

A Honduran passport would probably be best for someone who wanted to live far away from Central America, but was willing to learn Spanish. It is a good back door to Spain, because as it was a former colony, Hondurans can easily qualify for Spanish residency. After a few years of residency, a Spanish (European Union) passport can be obtained. Even though it is officially a Spanish-speaking country, English is widely used especially in upper-class circles. There are many descendants of English miners and railway workers who still use English names. The vice-president for example, as of 2004, was a Mr. Williams.

However, be warned: A banana republic and large amounts of ready cash combine to make a perfect recipe for corruption and abuse. This is exactly what happened in the 1990s. Since then, sporadic US intervention and investigation has resulted in a number of individuals being booted out of office after pocketing funds derived from illegal instant passport deals.

In an amusing incident in 1995, the USA's willingness to attack the very instant passport program it instigated left it with egg on its face. Jerry Wolf Stuchiner, the US Immigration and Naturalization Service's former chief officer in Hong Kong, was arrested for carrying five allegedly fraudulent Honduran passports into Hong Kong. According to Hong Kong officials, Stuchiner would sell the passports for \$40,000 to \$50,000 apiece to smugglers so that Chinese individuals could immigrate illegally to the United States. Stuchiner was originally sentenced to 40 months in jail for possessing 'forged' passports. However, the sentence was later reduced to three months because the prosecution was unable to prove that the passports were in fact forged, only that they were 'irregularly issued.' Because the passports did not actually contain photos at the time he was caught, the Hong Kong court determined that Stuchiner was not carrying forged passports but only forged instruments.

Stuchiner was later released early from this three month sentence because Hong Kong would have reverted to Chinese rule during his imprisonment. Although Hong Kong stated that Stuchiner was released early because he cooperated with prosecutors in a case against another corrupt US immigration official, it is more likely that he was released early because he had had access to sensitive information. Washington was likely worried that, if Beijing officials would interrogate him about the information, Stuchiner would reveal the classified information to the Chinese government. As of 2004, Stuchiner continues to practice immigration law in Los Angeles, California. He is currently an active member of the bar with no record of discipline. His firm is called "Paladin Law." We wonder if it is named after one of our favorite underground publishing houses, Paladin Press in Boulder, Colorado? Either way, we feel that the US government is still protecting him, and we would certainly *not* recommend buying foreign immigration services from anyone so closely connected with a major government.

The country was devastated by Hurricane Mitch in 1998, which killed about 5,600 people and caused approximately \$2 billion in damage. In the wake of this, our sources indicate that several thousand more passports were sold 'under the table' to help fund relief efforts (at least that was

the official justification). Bottom line? It appears that instant Honduran citizenships are still available, but they may or may not be legal or fraudulent. Proceed with extreme caution.

IRELAND – Grandparents, Priests, Pubs, and Fun In the Sod

Ireland was always a first class jurisdiction for anyone to get citizenship and a passport. Back in the 1970s, a good friend with no Irish relatives went to a specialist lawyer in Dublin and was questioned about his genealogy. After a rather hefty fee (\$75,000) was paid, he quickly got an Irish passport based upon the fact that his grandfather once had an Irish girlfriend in Boston, MA, USA and he was her illegitimate grandson. We think that deal was finagled with the help of a creative genealogist and some Celtic tall stories or ‘blarney,’ for which the Irish are famous. But that is the way it *was* done. It was a good way for a well-connected lawyer to get very rich.

Then there was the story of the Irish Consul General in London in the 1990s. In return for sex and a cash payment (usually around 10,000€ in today’s money), he issued Irish passports to some eight hundred mostly Asian and Eastern European single women. The legal basis was an ‘Irish association,’ namely that he had slept with them. That made them Irish in his eyes, anyway. Whether this is true or not, we don’t know, but this scandal was reported in the British tabloids at some length. You can imagine the headlines: “*Disgraced Muslim Girls Seduced By Irish Consul in Passport Scam.*” The offending diplomat was recalled to Dublin in disgrace.

In any event, Irish government statistics show about 3 million Irish people in Ireland eligible for passports and another 30 million potentially Irish citizens abroad. With the coming of the European Union at Maastricht in 1992, Ireland tightened up dramatically both on issuances and renewals. Unless one was wealthy, that is: Ireland was one of the first EU states with a procedure to permit wealthy foreign investors to obtain immediate nationality. This program ended effectively in 1996, although stragglers were issued passports as late as 1999. The history is fascinating despite the termination of this program. The Irish program is a story of blunders and scandals almost as bad as those in Belize.

Under Section 16 of the Irish Nationality and Citizenship Act, 1956, as amended in 1986, the Minister of Justice, in his absolute discretion, has the power to waive the normal conditions for naturalization, e.g., five years of local residence. The applicant must be found to be of Irish descent or have an ‘Irish association.’ This was conveniently vague with plenty of opportunity for discretion. In 1984, someone in the government determined that economic activity in Ireland could create ‘Irish associations’ by investment. In practice this meant that Ireland introduced a procedure whereby any investor who injected IR£500,000 or more into an existing Irish business could obtain immediate Irish nationality, without any prior residence, for himself, his spouse, and all minor children. The ‘fast track’ approach took about 1-month, while the ‘slow lane’ required a lesser but substantial fee and took 6 months.

Here’s the kicker! The investment was made typically by a loan from a local Irish bank, at a reduced interest rate, then 5% to 6% per year. The repayment of principal and interest were guaranteed with government backing. The applicant was required to purchase a residence and spend 60 days in Ireland over the following two years. The residence could be rented out or sold 6 months after naturalization. The investor was put in touch with a bank that made the

guaranteed loan. Thus, the investor only had to pay in cash the difference between the current interest rate (then 10%) and the guaranteed interest rate, plus a generous lawyer's fee! The net cash payment needed to obtain an instant Irish passport was somewhere between €150,000 and €350,000 depending upon factors too complex, whimsical and arbitrary for this short summary.

This program was very good for enriching certain politicians and lawyers. Local Irish businesses queued up to obtain this 'government-subsidized' financing. Successful recipients were often failing companies with good political contacts. The potential for corruption was obvious, even at the time. Over the years 1984 to 1994, the program evolved. It was eventually simplified into a single IR£1 million investment. The government guarantees were eliminated and the source of funds had to be entirely from abroad – no more local bank loans! An expensive residence had to be purchased before approval. The residence could not be rented out, though it could still be sold 60-days post-naturalization. Still, the investment benefited only a very few lawyers and politicians.

The political controversy in Ireland over the corruption and mismanagement of this program has been great. There were few, if any, benefits realized by ordinary Irish people. Businesses which should have been allowed to fail were in fact expanded, usually with poor results. Businesses not assisted felt betrayed and penalized due to their own good management. Politicians secured votes by helping unworthy businesses simply because they were located in key voting areas. The program is now in the 'grey area' and according to our information, few if any Irish passports are being given out. The 'Irish association,' marriage, and ancestry angles have been tightened up, though not ruled out altogether.

Ireland has also experienced a number of scandals in the past involving so called 'ghost' passports. These are passports issued in the name of dead people by fraudulent use of birth certificates. A number of IRA terrorists have been caught using these passports, most recently in Colombia where they were training members of the FARC rebel army. Therefore in summer 2003, procedures were tightened up. Now all new birth certificates issued by the Irish registry office are stamped 'deceased,' if that is the case.

Those who believe they may have Irish ancestors can start by contacting their local Irish consulate which can help. However, many records were destroyed during the Irish civil war and the subsequent decades of terrorist atrocities. Fortunately most records were duplicated because the Church and the civil authorities both kept their own registers of births, deaths, and marriages. Baptismal records of the church also serve as usable proofs of ancestry. The authoritative *Genealogical Supplement* is available on subscription from the company Inside Ireland, PO Box 1886, Dublin 16, Ireland. Editor's Note: Attorney Stephen Gray is to be thanked for information contained in an excellent summary of the Irish Second Passport Program found on his personal website.

ISRAEL – Instant But Dangerous

Israel will grant immediate residence to any Jewish person under the Law of Return. The applicant is expected to purchase or rent a home in Israel upon arrival. Citizenship and a laissez-passer (passport without citizenship) are granted within 30 days. A passport is granted after one

year. The definition of Jewish is quite liberal and, in fact, can apply to just about anyone. You must be prepared to convert, unless you have a Jewish-maiden-named mother as shown by your birth certificate. Many Russians have obtained Israeli citizenship by using faked Russian birth certificates that show a Jewish mother. Israel in theory taxes its residents on their worldwide income. New immigrants, however, can expect to be exempt from worldwide taxation for some period. In addition, very wealthy businessmen can negotiate a special exemption.

The big downside is that Israel is in a rough neighborhood. With suicide bombers going at it much too frequently for comfort, it has become a nerve-wracking place to live and work. It is dangerous if you must go out on public transportation or shop in public street markets. Department stores, restaurants, and supermarkets now all have guards and security searches.

New immigrants must be aware of compulsory *lifetime* military service requirements. This applies also to females though their required period of service and reserve duty is much less than for males. The passport actually is pretty good for visa-free travel, but holders must be eternally vigilant against Muslim fanatics who believe they will go to paradise and have the perpetual sexual services of 70 virgins if they (not the virgins) kill a Jew.

Most people are unaware of the Eisenberg Law which says if a *very* wealthy person moves his already established business headquarters to Israel and employs a certain number of locals, he gets a *lifetime tax exemption*, and a lot of extra government perks that may include military protection, intelligence services, and even diplomatic status. It is all negotiable. Don't even think about this unless you are in the \$25 million or more net worth category. But for some businessmen, it could certainly be an advantage to become, in essence, an influential and protected partner of the government. Certainly this status is the PT ideal.

JAMAICA - Instant Passport Program Was a Total Flop

Their legal passport program was another disaster! There were some complicated zero coupon interest-bearing bonds the applicant could sell at a discount. Then there was more required purchase of grossly overpriced real estate and consultant and attorney fees of around \$20,000. The total cash cost was around \$100,000, but the passports never sold, not even one, though they would have been good for visa-free travel to Europe.

Jamaica is a much nicer place to visit than Belize is. The native population looks and thinks 'laid back and high' much like the Belizeans, but the music they make is far better. They invented steel drums, Calypso and Reggae. Their powerful, hallucinogenic, Jamaican 'ganja' is a kind of potent Jamaican pot that they grow and export 'for religious reasons.' Bob Marley and the Wailers were of course religious smokers spreading the Rasta gospel from Jamaica! We like Jamaica as a playground, and would give their passport a solid C+ if it could be obtained at a reasonable price or without too long a residence period. We enjoyed the years we lived in Jamaica, but found it quite expensive. Like Haiti, it is too crowded and overpopulated. Jamaican Blue Mountain coffee is also expensive and requires an acquired taste to be fond of it. That's the way we feel about Jamaica as a playground or place to live and do any business. Not everyone likes it, but it does have some enthusiasts.

When the government ministers set the outrageous price of \$100,000 for their nothing special C+ passport they must have smoked too much ganja. By 1995 their project was dead in the water. Reportedly, the ‘grey market’ is alive and well on a small scale and at lower prices. Many white people of British descent carry Jamaican passports, as do the many black and mixed-race Jamaicans who are descendants of African slaves. They have moved abroad to get away from 30% unemployment and they live in great numbers in London and New York among other places. If you could affect the unique Jamaican accent, and would start wearing your hair in dreadlocks, a Jamaican passport might be your cup of tea. This is one of the few situations where we don’t have a clue about current prices or availability.

MOZAMBIQUE – Agricultural Aid through Passport Program

Mozambique is one of the poorest countries on earth. Almost five centuries as a Portuguese colony came to a close with independence in 1975 and with it came economic disaster. Large-scale emigration by whites (the farming community), economic dependence on South Africa, a severe drought, and a prolonged civil war hindered the country’s development for the next twenty years.

Mozambique does have a history of selling passports. A consulate in Asia started a program in the 1990s, the going rate being \$6,000 to \$10,000. The stated aim of the program was to raise funds to develop sustainable agriculture, but as in most Third World countries we are sure most of the proceeds went straight into the pockets of government officials. We know some PTs who bought those passports in the 1990s. Although almost worthless as a travel document (needing visas to go everywhere) they were useful for banking at that time. We do know that some of them were successfully renewed at consulates. However, these days you would need a really good story before you could convince a bank that you were a genuine Mozambique citizen. As far as we know the program is still going, but we believe you could do better. Or – why not read our story on Tanzania, and then get on a plane? We bet that if you were there on the ground, you could get a passport a whole lot cheaper than \$6,000.

MELCHIZEDEK – Expensive and Worthless Scam

You can visit their website, www.melchizedek.com. Should you buy a passport for around \$30,000? Or perhaps go for an alternative program recently offered by Dr. Harvey Penguino whose office is Suite 16, Rockefeller Centre, Melchizedek, Antarctica. His new program offers citizenship, a diplomatic passport, your own chartered bank, a driver’s license and a deed to your own private sovereign iceberg too—a package deal at a bargain price. He asks only for “what you can afford.”

The only problem is that Melchizedek exists only in cyberspace. You may be told by eager con-men that Melchizedek (or a few imaginary countries like it) issue internationally recognized passports. But they are a joke at best and a serious fraud at worst. We mention Melchizedek here only because there are quite a number of non-countries that are imaginary nations who issue fancy printed passports at fancy prices. Hundreds of people have applied to become citizens of Melchizedek. Some have paid up to \$32,500 for passports and the promise of a government job in a ‘low-cost, tax-free paradise.’ Don’t be one of them.

NAURU – A Rock in Dire Straits

This eight square mile island in the middle of the Pacific has an extraordinary history. Its most important export was once phosphate. Following independence the government foolishly mined it, destroying the ecosystem and almost everything there. Since there is absolutely nothing left to do there anymore, most of the locals have turned to drugs and alcohol and are dying from diabetes, obesity and heart disease. This is a result of eating fatty foods and taking no exercise. Australian hospitals will no longer accept them; the Nauru government's state healthcare system has millions of dollars outstanding in unpaid Australian hospital bills. The situation is now so dire that the government is seriously considering abandoning the island and moving the entire population and the country to another location.

During the island's heyday, when it was still rich in phosphate deposits, they lived the high life and built up huge foreign reserves of around \$250,000 per citizen. This was managed by trustees appointed by the United Nations. But then the citizens of Nauru demanded the right to manage their own money. In short order they were losing money hand over fist in real estate deals and a number of bizarre schemes. At one time in the 1980s, for example, they tried to convert their little local airline into a world class player along the lines of British Airways or Air France, entertaining the ridiculous notion that their little island in the middle of the ocean would become a global air hub for traffic crossing the Pacific. The economic consequences were disastrous. A huge fortune that would have supported the people for generations was squandered in ten years.

Once there was nothing left in the way of natural resources, in the late 1980s Nauru moved into the offshore sector. They started churning out bank licenses for Russians and passports for all-comers, selling them for about \$30,000 mainly through agents in China and Hong Kong. It is unclear whether they actually got around to passing any specific laws allowing this, but the passports were certainly legally issued, government sanctioned, and recognized for travel, for a while. Now the Nauru passport is on a par with Somali or Pakistani passports, a D-minus. Nauru became famous for fraud and its involvement at the sleazier end of the offshore business. A law enforcement officer in Hong Kong recently described Nauru as "all bird shit, telephone sex, and money laundering."

Most recently, Nauru has turned itself into an offshore haven for refugees. People from poor Asian countries hoped to reach Australia in rickety boats in order to make a new life. Instead, after being intercepted by the Australian coastguard, they find that Australia has signed a contract with Nauru whereby all unwanted refugees will be shipped there to concentration camps. Nauru gets paid a fee for keeping them. It is enough to support the local natives. The poor refugees find themselves imprisoned on a desolate island in the middle of nowhere. They have nowhere to go, nothing to do, no hope, no future.

Nauru is now bankrupt. They are broke even though the US government paid them millions of dollars in foreign aid to close down their 'offshore' banking sector and terminate their passport program. We have no doubt that it is would be easy to obtain a Nauru passport. If you have a vision or have been smoking a lot of Jamaican Ganja, maybe you could even buy the whole island nation, free the refugee, and do something useful with the place. Don't pay over \$100 for a legitimate Nauru passport.

NEW ZEALAND – Points System Leads to Fast Naturalization

New Zealand, like Australia, follows a points system. It allows wealthy investors to buy points. Before 1988, immigration was strictly limited. However, about turns in policy meant that wealthy immigrants were and are now actively encouraged to come to New Zealand to invest. Citizenship requires five years of residence. A spouse of a New Zealander won't get his or her passport for five years either. There is a move by xenophobic elements to change the laws after 2005 to require up to ten years of residence before a passport and citizenship materializes. It appears there will be some major changes in the New Zealand laws. New Zealand used to offer one of the best deals around for those looking for a good quality First World passport. However, the voters don't seem to like all the new faces, most of them Asian. They are trying hard to shut the door on new citizens.

“New Zealand Poised to Change Law on Birthright Citizenship”

[From a New Zealand Editorial by Keith Locke representing the NZ Green Party December 2004]

The Government has introduced a law that would deny automatic New Zealand citizenship to children born here to visiting parents. This would put us in line with Australia, but it would take us out of line with the US and Canada, which grant an automatic right of citizenship to all people born on their soil. The only substantive reason advanced for this change is a belief that pregnant foreigners are seeking our passports for their offspring by flying in, having their babies, and flying out again. Yet this has happened in no more than one or two cases a year.

Longer-term non-residents do have babies here, but they are usually women on work, student, or business visas. It is preferable that such babies born here do have New Zealand citizenship, so they qualify for the free or subsidized post-natal healthcare the rest of us got as infants. We certainly should not bring in a blanket ban because, inevitably, some babies would suffer when their hard-up, non-resident parents cannot afford such treatment. We are not an uncharitable people. The Identity Bill and the wider policy of which it is a part are too hard-hearted to be New Zealand law.

Among the other major change propositions on the table is a bill that gives the Internal Affairs Minister the power to *cancel* any New Zealand citizen's passport. Where did they get this idea except from the USA PATRIOT Act? They want to use it to take away citizenship from any suspected terrorists. The person thus deprived would have to sue to get his passport restored, but as the evidence might be classified as secret, it would be an uphill battle that few citizens could afford. This bill is another example of the government wanting to follow the lead of Big Brother USA who got carried away with the war on terror.

What about the old law, which is still on the books? There are four main categories under which you can apply for New Zealand residency: Investor, General Skills, Family, and Long-Term Business. All immigration permits are issued based on a points system, which is revised approximately every six months depending on the availability of qualified workers for certain

skilled jobs. Family visas obviously require family there, while the long-term business visa is the most complicated to qualify for. Despite its name, it is valid only for three years.

The General Skills visa is intended for those seeking to work in New Zealand. If you have an unusual skill which New Zealand needs, and can prove it in the form of qualifications, you might qualify here. Otherwise it is quite difficult because you cannot start job-hunting until you have qualified for the visa.

Probably the easiest to get, if you are relatively young and have money, is the Investor visa. For this you require at least NZD \$1 million, around \$580,000 USD. Be prepared to invest it in New Zealand. Almost any kind of investment qualifies, even a plain vanilla bank deposit. It must remain in New Zealand for two years but you are allowed to move the money between different investments during this time. The younger you are and the more money you have, the more points you are awarded. One can travel up to six months a year and still have the required residence for citizenship application purposes. English language proficiency is also required and tested.

NICARAGUA – Four Years to a Cheap Under-Rated Passport

The Nicaraguan passport, like most from the Central American republics, offers surprisingly good visa-free travel, including the vast majority of Europe. Visas for other countries are not difficult to obtain, since the Nicaraguans who travel are usually ones with money who don't overstay. Nicaragua has no official passport program, but is a good alternative for those seeking to keep costs down and can afford to wait a few years. Residence is granted almost routinely to persons of most citizenships. The cost can be under \$5000. Naturalization is available after four years. It is sufficient to keep residence renewed on paper, but it is not necessary to spend any time in Nicaragua after an initial visit. Requirements for a residence permit are typical of Central and South America:

1. Existing passport and 8 passport photos.
2. Police clearance certificate. Alternatively the Nicaraguan authorities will request an Interpol clearance on your behalf, which requires fingerprinting.
3. Health certificate, which can be issued in Nicaragua via a telephone consultation!
4. Translated birth certificate

The Alienage Law (Law 154 of 1993) states that the General Office for Immigration has the discretion to waive requirements as they see fit. A well-connected local lawyer can be of great assistance here. The total cost of the residency application in Nicaragua is low, in the region of \$5000. Thereafter you just have to pay modest annual renewal fees and return after four years to pick up your passport.

PANAMA – Choose Instant, Investor or Grey Market

Panama is another interesting player in the second passport field, with a gripping history of both white glove and grey market programs. Panama is the most economically liberal of the Central American republics, a country that was actually invented by Wall Street financiers who bought this former Colombian province, keen to acquire rights to the Panama Canal. Since then, the Canal has always been the major asset of the country, but Panama has also turned into Latin America's most important financial center.

One option is their *instant passport program*. This fully above-board, legal deal allows foreigners to obtain an immediate Panamanian passport. The only condition is that they make a five-year time deposit in US dollars at the *Banco Nacional de Panama*. The deposit has to be enough to produce interest income of US\$750 per month. Therefore the total principal required varies with interest rates, and due to current low interest rates, the required deposit is higher than it ever has been. Want to read the law itself? The lawyers we talked to say, "Go to any search engine. Use this reference: Panamá Ley 9 de 24 de Junio de 1987. Decreto Ejecutivo Numero 62 de 4 de Agosto de 1987. It is in Spanish." This is a Noriega-era decree from the bad old days after he seized power in a military coup, and before he was deposed in the American invasion of 1989. We can't even say for sure if it is still the law of the land, but it appears to be.

The big catch? It is a non-citizen passport. It is nothing more than a travel document issued to foreigners, much the same as major nations issue to stateless persons and refugees. For the moment, apparently not many countries know that these passports do not represent citizenship documents. So they are probably suitable for banking and some travel, but do not expect to be afforded the same rights as Panamanian citizens. In fact, the applicant does not even obtain so much as residency rights! Who buys these passports? We don't know. Maybe they are useful for some purposes besides the sale by unscrupulous bureaucrats to unsuspecting buyers.

There is, however, another fully legal Panamanian program that offers full citizenship and a 'real' passport. This is the so-called Reforestation Visa. Law No. 24 of November 23rd, 1992 introduced incentives for reforestation investments. This is a classic passport-by-residence program which requires a relatively modest investment. It is heralded as an effort to protect Panama's environment and ecosystem, but is actually a carbon copy of a similar, now defunct Costa Rican law. Under this law, any foreigner who participates in a reforestation project with a minimum investment of only US\$ 40,000 is entitled to obtain full immigrant status with residence permit in the Republic of Panama under the investor immigration program. This is a special incentive provided by the Panamanian legislation for the development of reforestation projects and is an added incentive to the tax incentives which were established specially for larger international investors.

Also, Executive Decree No.89 of June 8th, 1993, furthermore clearly regulates that reforestation projects will not be subject to any income tax on any profits from the wood produced for 20 years. That is, of course, assuming there are any profits from the wood produced. In the forestry register (Registro Forestal) of the National Environmental Authority there are more than 1,000 reforestation projects currently registered. *Caveat Emptor!* Let the Buyer Beware! There have been numerous swindles in these programs, where unwitting investors have been sold useless, extremely overpriced scrub land where trees won't grow. Others have paid dearly for bogus land titles on property that cannot be legally sold because it is located on Indian reservations.

If someone qualifies for residence by investing in forestry, the applicant is entitled to a full passport and naturalization after five years. It is sufficient to hold the right to residency; in other words, you do not actually have to be in Panama during those five years. Note: in contrast, the residence permits granted to retired persons do *not* grant a right to naturalization, not ever!

Panama has a noble history of grey market passports. This dates back to the Noriega days when the ex-dictator started issuing passports to his drug dealing associates from neighboring Colombia. Later, Noriega entered the mass market and sold passports to an estimated 30,000 Cubans, 11,000 Hong Kong Chinese, and 2,500 Libyans. The going rate was \$2,500 for residence or \$12,000 for a passport. He made a healthy profit on these, obviously.

During the nineties, after Noriega was deposed by the Americans and carted off to do time in a luxurious Florida jail, wealthy Russians and Chinese immigrated to Panama by the thousands. The going rate by this time in Moscow was about \$80,000 - \$100,000 for Panamanian citizenship. Your author happens to know that about half of that fee went to the Russian intermediaries, and half to the Panamanians.

Even today, grey market passport deals are a fact of life in the Republic of Panama. You really just need to call any law firm in Panama and ask how to buy a passport. Most of them speak English. Some are better than others. Of course, before doing so you must understand the Latin American penchant for finessing the subject. Avoid 'being direct' at all costs, especially when it comes to grey market business. Start off by asking about companies and investments, then about immigration, and then perhaps casually start hinting about the benefits of local citizenship after inviting your chosen lawyer to lunch at a classy establishment in the upscale Financial District of Panama City.

PARAGUAY – Black Market Turned White

Paraguayans almost invented the black market in passports! Until 1993, the government was a one-man show choreographed by a half-German dictator, Alfredo Stroessner. Passports were regularly sold to ex-Nazis and other fugitives. The average man on the bus in Asuncion was very happy during the Stroessner era. When we visit Paraguay these days, we always hear the locals mourning the day that the Americans forced their dictator out of office. The socialists came to power, bringing with them nothing but social problems, crime and poverty.

However, we have not heard of any more black market documents coming out of Paraguay for the past ten years. Why would anyone need to take risks with the black market when a totally legal, naturalization by residence program is so easy? While other Latin American countries have generally outlawed their white glove programs, Paraguay has legalized its black market instead. Paraguay today offers a fine residence and passport program. The main attractions are:

1. The Paraguayan constitution requires only two years of residence in order to qualify for legal naturalization and passport.
2. Paraguay has only very limited personal income taxes, applying only to income earned on Paraguayan territory.

3. The Paraguayan passport offers excellent visa-free travel including most of Europe.
4. A Paraguayan cedula (ID card, issued immediately on residence) can be used for travel between the Mercosur countries, Brazil, Argentina, Chile, and Uruguay, etc.
5. Name change to a Spanish-sounding equivalent when applying for naturalization is common.
6. Strong European heritage. Paraguay is said to resemble Germany in the 1930's.
7. Low cost of living and housing.
8. Excellent and abundant beef. Prime cuts that cost €30 per kilogram in Europe sell for about €1 wholesale in Paraguay. Most expats in Paraguay just buy a whole cow at a time and store it in their freezer.

Paraguay acquired some ill repute by welcoming ex-Nazis after World War Two. But what 'they' don't tell you is that during the War, the country also welcomed many Jews fleeing persecution. In fact, in Paraguay anybody is welcome and they don't ask too many questions. It is an under-populated country where free land (not very good land however) is still available for homesteading. The people are easy going and friendly to strangers. The Paraguayan attitude is that provided you fit in and do not commit violent crimes or anti-social acts in Paraguay, there is plenty of space for you. Smuggling, for example, may be on the books as a crime, but for ordinary people, it is the Paraguayan way of life, not considered a crime.

The country prides itself on independence from foreign powers. Extradition requests aimed at foreign resident nationals are frequently ignored, especially if the person sought has curried favor with the Asuncion establishment. The Paraguayan constitution is also very liberal in granting rights to foreigners. It states that all inhabitants have the right to develop their personal inclinations, trades, and businesses. Everyone, Paraguayan or not, is equal before the law, with no discrimination. There are no restrictions on business activities by foreign nationals.

On the downside, the Paraguayan border town of Ciudad del Este has been described as "the anus of the earth" by money laundering expert Jeffrey Robinson, author of *The Laundrymen*. This city is located where the borders of Brazil, Argentina and Paraguay meet, in the area famed for its huge hydro-electric power plant and its marketplace in stolen cars. It is also home to South America's largest Muslim community. The USA complains that it is headquarters for middle-eastern terrorist cells, arms trading and counterfeit documents. It was supposedly the basis for the fictional sinful city planet of Tatouine, as depicted in the movie '*Star Wars*.'

Paraguay is relatively corrupt. During the 1980s hundreds or even thousands of passports were sold illegally. A new government in 1993 cracked down on "irregularities in the issuance of passports" and insisted that national passports must be applied for in person within the country. They must be renewed in person (can be at a consulate) every two years. It is said to be impossible to simply buy a passport from a Paraguayan diplomat abroad any more.

Bottom Line: Paraguay has a “B” passport (our informal rating) that is good for visa-free travel to most places. It would be a B+ passport if it was issued for a longer period than six years with those required two year renewals. Asuncion is under-rated and not a bad place to live. It is officially the cheapest city in the world you can live in, according to the 2004 Cost of Living Survey from Mercer Human Resource Consulting. It has First World facilities. For the single man, the friendly and available women of that country should make for a pleasant stay. There are good business opportunities, and the passport available in around two years can be quite inexpensive if obtained through a regular immigration lawyer. For those who are not aware, the language of all South America is Spanish. The one exception of Brazil uses Portuguese.

PORTUGAL –An Easy Way into the EU

A foreign individual with sufficient income to support himself and his dependents can obtain a residence visa and residence card by making an approved investment of US\$100,000. This investment used to be a home, but please check the current rules with a Consulate. The prospective resident must rent or own a home in Portugal before the application is approved. This can obviously lead to problems, if the only reason you are buying is to get residency. So renting is better. PTs in the know will ask their lawyers to make a property purchase conditional on receiving the required residence permit. This way, your real estate broker, who is keen to make the sale, will work hard on your behalf to help you plough through the bureaucracy. After six years of residence one can apply for citizenship.

Portugal also issues an *Alien's Passport* which can be used for travel throughout the European Union. This is designed for stateless refugees and is officially issued only ‘under exceptional circumstances.’ However we have been informed that well-connected lawyers have obtained such documents almost immediately for their clients in the past.

Brazilians get a special deal and can become citizens with no investment, just a short residence period. Thus, some PTs in the past have gone for Brazil as a stepping stone into the EU. Portugal requires renunciation of existing citizenship (except Brazilian) before you become Portuguese. However, another law clearly establishes that once you are Portuguese you remain Portuguese forever, so once granted citizenship, you can legally reacquire your previous nationality if your original country (like Canada, UK or under some circumstances the USA) allows.

ST. KITTS & NEVIS – A Surviving Economic Citizenship Program

St. Christopher (also known as “St. Kitts”) and Nevis, a British Commonwealth country in the West Indies, has a long running and well established ‘white glove’ second citizenship program. This is granted under Chapter VIII (Section 90 - 95) of the Constitution of Saint Christopher and Nevis and Section 3(5) of the Saint Christopher and Nevis Citizenship Act, 1984 as interpreted by Ministry of National Security announcement dated March, 1996.

The St. Kitts passport is still very well regarded. It has not been beset by the scandals which have hit other islands with similar programs. Probably due to the high price, only relatively few passports have been issued under this citizenship-by-investment program. As a result, St. Kitts passport holders (unlike Belize, Dominica or Grenada passport holders) enjoy a passport with excellent visa-free travel. An application, if approved, will result in citizenship for the whole family. In addition to standard documentary requirements (passports, birth and marriage certificates, police clearance, and so on) it is necessary that the applicant makes contribution to the Government of St. Kitts and Nevis, which takes the form of a non-refundable cash payment of US\$ 35,000 for a single applicant plus US\$ 15,000 for each dependent. In addition to this, there are various extra processing, legal, and due diligence fees.

But wait! That's not all. The applicant must also invest in designated real estate. To qualify for citizenship of St. Kitts and Nevis, the Government requires an investment in real estate of at least US\$250,000. These requirements make the program relatively expensive but at the same time also more exclusive. Fortunately, St. Kitts and Nevis is a very attractive place to own real estate, and there are some excellent real estate developments that are approved under the citizenship program. An investment in St Kitts real estate is probably far more worthwhile, enjoyable and secure than purchasing an acre of dodgy swampland in Panama in order to qualify for a Reforestation Visa there. One problem, though, there is talk of terminating this program, so check with officials first.

ST. VINCENT and the GRENADINES – Always On Hold?

St. Vincent and the Grenadines passed a law in 1996 to allow an investor to become an “honorary citizen” of this Windward Islands nation. The approved investor is not allowed to vote, not allowed to stand for election, and not allowed to acquire any interest in land except on the same terms applicable to any other alien. He may lose his ‘citizenship’ due to subsequent bankruptcy, criminal conviction, or other unspecified naughty conduct. There is no published amount for the required investment, but around US\$100,000 plus a fee is what we were told is the total cost. Everything about the program seems arbitrary, too much so for our liking. For that kind of money, most people will be better off with a cheaper grey market program.

As the government can cancel the citizenship based on post-acquisition conduct, including bankruptcy, this program is contrary to international law. The United Nations charter specifically prohibits members from using ‘denationalization’ as a punishment. St Vincent obviously thinks it has got around that by calling it ‘Honorary Citizenship.’ Apparently, only a very few citizenships have been granted under this program. We have yet to hear of anyone actually travelling or banking on such a passport. St. Vincent’s offshore sector is effectively a one-man-show run by a British lawyer operating out of Liechtenstein. We believe that he is the only person empowered to exercise the necessary discretion. The whole deal sounds dodgy to us.

THE SEYCHELLES – A Haven for Big Time Fugitives?

A few years ago, agents for the Seychelles government placed ads in leading financial papers, offering a warm welcome and citizenship to anyone with serious money! It offered to protect fugitives from extradition by selling them residence, citizenship, passports, protection, and even

diplomatic status for a princely \$10,000,000. After the head of the United Nations, the European Union and many others called this a despicable offer, the Seychelles withdrew the offer, or did they? Officially, at least, the program was closed. But we wonder what reception would be given to a candidate who came in and said he had the ten million to invest locally, or perhaps said he was ready to grease the palms of the powerful.

The Seychelles said to the EU that they would rethink, reevaluate, and reengineer the program to meet European Union concerns. Under the old program, applicants were required to create a strong financial tie to the country, as evidenced by an investment, formation of a local company and the introduction of capital to the Seychelles. The Seychelles along with any country *could* offer a competitively-priced program that meets international norms, but we don't expect it to do so. Our sources indicate that they are currently processing applicants again, but this time very quietly. There is no advertised program. Officially, it does not exist. Looks like another Grey Area Program!

If you are a crook or fugitive with an unlimited bankroll, the Seychelles could be your new HQ. Of course Cuba and most countries of South America and Africa have, for years, quietly given out new identities and selectively sheltered crooks, con-men, war criminals, ex-dictators and other 'political activists.' Hospitality always depended upon contacts. Contacts could usually be purchased. But they often don't stay purchased. Our recommendation: Go to the Seychelles for a vacation. It is a beautiful country (a favorite vacation spot of British premier Tony Blair), relatively prosperous, with great beaches and good looking mixed-race women. It used to be the favorite honeymoon resort for rich South Africans. If you are single, or at least appear to be, you can get a quick and cheap passport there via marriage. Visit the immigration office itself, or better yet, first see a few immigration lawyers.

TANZANIA

Tanzania is one of the poorest countries in the world. The economy depends heavily on agriculture. However, it is a nation rich in natural resources which include gold, gas, and oil. Recent banking reforms have helped increase private sector growth and investment. Here, guest contributor P. Tan Zania takes up the story, in his own words, of how he landed a Tanzanian passport and what he learned in the process. What is said here applies equally to almost every other Black African country.

“It was a few years ago. I had just learned of the PT way of life. It so happened that I knew a gorgeous black African girl in New York City. She was a part-time model and we dated now and then. She was very good, undemanding company. Let's call her 'Noel.' She was not my main squeeze, but we were pretty tight at that time. One day, after reading the old PT books and deciding I needed a second passport, I brought up the topic of acquiring citizenship and a passport in her native country. She didn't find it a strange request at all. She answered, “*In Africa, with the right connections, you can buy anything you want in the way of documents.*”

Noel made a call to a relative back home and then got back to me with some good news: “We have a kinsman in the passport office and he's said ‘Come in person with a document to prove

that this guy is your husband and if he is with you, we can give you a passport for him right away.’

I wasn’t about to do anything quite as drastic as getting married. Also, I had hoped to get a passport without actually going half way around the world for it. I asked if I could simply pay something and have it all done by mail. The negotiations were a long story, but the short version is that Noel explained this to me:

“There is a misconception in the West about how bribery and corruption work in Africa. Most of the government employees are afraid to do anything criminal. They won’t steal or do anything that is blatant fraud, even for money. However, if you want a passport and have me to vouch for you, they will not look too closely if told a convincing story, and given some ‘documentary proof’ of your right to citizenship to put in your dossier.”

She continued, “Civil servants almost always get their jobs because of a family connection, you would call it nepotism. Some relative is elected or appointed, and he in turn gets every in-law and distant cousin who needs a job on the government payroll. But the pay is small. Usually all of it (and more) has to be given back to the uncle or cousin who got him the job. Additional money would be payable in a lot of cases, depending on the opportunities for honest graft. Customs officials, prison guards and some police officers, for instance, are said to pay much more than their salaries to the people who got them their jobs.

“In other words, a government employee has to pay his patron a certain amount every month. That amount may be more than his salary. The employee goes along with this arrangement because if his job is approving any sort of application, whether it is for a passport, hunting or fishing license, he normally gets a tip from every applicant. No tip and he won’t stamp the documents or pass them on to his superior for signature and approval. This is the system, too, in foreign diplomatic posts where the day-to-day operations are run by locals. In ports, mid-level customs officers, letting merchandise in without duty can get seriously wealthy in a few years. And the tips, never called bribes, are how he grows his own nest egg. In private he may call it ‘baksheesh,’ but when the customer or applicant comes in it works more like this:

“The businessman asks for the paper he needs. My cousin, for instance, makes small talk, smiles, and says something like ‘we are backlogged now, but if you will come back in six weeks (or six months) we may be able to get to it.’ The customer usually takes this to mean that he must give a tip for expedited or fast service on an informal basis. So he says, ‘Will \$10 (American Dollars) get it for me this afternoon?’ Some deal is arrived at, and the civil servant will then, almost always, deliver as promised. His boss gets a percentage of course.

“With passports, if a regular Tanzanian with a proper birth certificate applies, he will be asked for all kinds of supporting documents like police clearance, a letter from the Ambassador of the place he is going saying that a visa will be granted, and all kinds of stuff. He may also wait a year, and have his application forms lost or misplaced, that is if he doesn’t offer a tip for ‘expedited service.’ “Because almost everybody in Tanzania is dirt poor, the tips are usually quite small by American standards, though for passports it could be up to \$100 for locals. The

reason a Tanzanian usually wants a passport is to go abroad for a job. So in the eyes of the civil servant, he can afford more than the usual \$10 or \$20 tip charged to get say a fishing license.

“Also, of course, if a person like a local Indian or Chinese known to be very wealthy wants something, he may be delayed just for the fun of it so the civil servant can tell his friends that he made a well-known big shot wait in his office for five hours. Then the businessman is charged whatever the traffic will bear. That is why any local who has been through the drill once, will always send in a well-connected fixer to do anything concerning government.

A foreigner, especially a white foreigner, will pay much more for any favours than a local does. But with an appropriate payment, probably around \$350, even a white man can get a Tanzanian passport in 24 hours. But the minimum documentation would be a birth certificate showing birth in Tanzania, or in our case, a real birth certificate from New York, and a your marriage certificate to a Tanzanian. Once again, the bureaucrat can impose extra or even imaginary requirements. Or he can at his discretion, if you make it worth his while, make things pretty simple. But he does need to be supplied with the minimum supporting documents for the file. In his mind, he is not doing anything illegal, but is just moving your file from the bottom of the pile to the top.”

With that, Noel convinced me that we could have a great time visiting Africa and her family. I would just love the capital Dar es Salaam and also the Island of Zanzibar, the clove growing capital of the world. She said there were great beaches, great fishing, and plenty of good looking ‘disponible’ women she would introduce me to. Noel guaranteed that I would leave with a Tanzanian passport after a few weeks, and that the round trip from New York and everything else, for two, would cost me under \$2,500, including a stop-over in London. It sounded like fun!

Not wanting to really get married, the first stop was an ecclesiastical supply store where we bought a fancy Catholic marriage certificate blank parchment form with flowers, vines, and pictures of doves on the edge. She filled our names in with a typewriter, and we used the stopper from a liquor bottle to give it a nice official-looking smudged rubber stamp. I got a certified copy of my birth certificate and sent it to be legalized at the Tanzanian Embassy in Washington, DC.

We took off from John F. Kennedy airport in New York. After a couple stops, Noel and I landed in hot, dusty Dar es Salaam. This is not a travelogue chapter, but I will say that Tanzania is not my idea of a PT playground to live in long term. It does have some great scenery, game parks, and Mount Kilimanjaro. As Noel said, it also has plenty of white sand beaches on the Indian Ocean. Some fantastic classy looking black women with European features that we saw on the beach must be part Ethiopian like Noel. I was not too keen to try anything sexual though. Rampant AIDS is a big problem everywhere in Africa. Besides, I was supposed to be a married man. Most of the women were married too.

The girls customarily marry at age 13. Normally the marriage is arranged by their father. A European is considered a good catch for any family who traditionally gets a bride price up front and little contributions forever. A very pretty girl like Noel at age 12-14 would command maybe \$3,000 US, she says.

A short history lesson: What is now Tanzania was run centuries ago, in this order, by Persians, Portuguese, and Omani Arabs. The latter exported slaves, some say by the millions. Most of the business and commerce was taken over in the 19th Century by Indians (red daub on forehead, not feathers). In 1891 the Germans made it a colony, but their German possessions in Africa were taken away by the British after World War I. It became an independent country in 1961. The local language spoken by the elite and educated classes in English, but the national language is a Bantu-Arabic dialect called Ki-Swahili.

I don't regret making the trip at all, and things went relatively smoothly, for Africa. This doesn't mean there were no glitches, but at least in my case, they were not serious or unexpected. Noel handled the baksheesh part for me and said the total cost for my passport including standard fee and tips was around \$500 (USA Dollars). I probably could have done it without her if I was there longer and made some local friends. There is an expat community of about 10,000. These are Europeans and Americans who own businesses or work in the Capital. Then too there is the diplomatic community. But no question, having Noel to front for me made things go smooth and fast. I never went into any government offices personally, but she said it was a good idea that I was there in Dar es Salaam. Her cousin the bureaucrat did call her relatives to verify that I was a real person. And the government people *could have* asked to see me personally. Her kinsman accepted our 'marriage certificate' and although it took ten days, I got not only the new passport, but also a Certificate of Naturalization.

I took both of these newly minted documents to the Swiss Embassy, and asked for a visa into Switzerland. I knew that as a white guy with an African passport, any Swiss banker would sense that something was amiss and want to see a visa in the passport. I got a tourist visa immediately as I said the reason I was going to visit Switzerland was to do some banking business. As it turned out, it was a big task to open an account in Zurich because they wanted to know all about my background and my source of funds. The fact that my passport showed a birth in America was not in my favor. Eventually, with the help of an introduction from new friends I was able to open an account at a very respectable Danish bank. Once a year has gone by and I am an established customer, I know that they will open an account for me at their Swiss branch if I have any use for it.

The Tanzanian passport with my Swiss visa and a few more visas (Brazil and Argentina) that I picked up in London actually turned out to be a very good travel document. You do need visas to go anywhere, except for a few other African countries. But once you have some visas and travel stamps from respectable countries, other visas are easy to get. I cannot enter or leave the USA with it because as an American, with a USA passport, I am obliged to enter or leave with only the USA document. But I can legally carry the Tanzanian with me. If asked about my 2nd passport, my story is that I once had a Tanzanian wife, and she wanted me to be a citizen of her country. She got me the passport. That was all true, right?

What happened next? I guess I should mention that when I travel, everybody assumes I am from *Tasmania*. Tasmania of course is not a country, but a nice island off the south coast of Australia. Nobody seems to have heard of Tanzania. This is just as well really. Noel went her own way and married an Italian dentist. I think they are in Bari, southern Italy, living in a romantic flower and vine covered 'trulli,' sort of a deluxe Italian stone igloo. I have been invited to visit and I will,

some day. Whether it was a real marriage or not, I don't know, but obviously, we didn't need a divorce from our 'marriage.'

I have not tried to renew my Tanzanian passport, but I think that with a little tip for a local Consul, renewal will not be a problem. In fact, I have met the UN Representative of Tanzania here in New York (a pal of Noel's). After getting some tips from Global Liberty Publishing's Special Report on how and why to become a diplomat, we are now talking about my becoming Consul General of Tanzania in Perth, Australia or Barcelona, Spain. I want to escape from America one of these days, and those places are at least for now my first two choices. As a diplomat I could live there tax free, enjoy great social status, and be invited to lots of parties. In brief that's the story of my second passport from Tanzania."

UNITED KINGDOM – 4-6 Years with Interesting Tax Advantages

UK immigration law is extremely complex. But in principle it is possible for a PT to obtain residence and then qualify for the coveted maroon passport after five years. The naturalization process takes another 12-18 months following the application. The United Kingdom is a tax haven jurisdiction for persons resident but not domiciled there. Such residents only pay tax on UK source income and income (regardless of source) earned after residence began that is remitted into the UK. Non-tax payers can still qualify for citizenship after five years residence, although after gaining a British passport they would be taxable as Brits. A brief summary of the various British residence programs follows. There are many details you would need to research further. The basic categories are:

- 1) **Business Investor** – requires GBP 200,000 investment and the creation of at least two new local jobs.
- 2) **Investor** – requires purchase of GBP 1,000,000 in government bonds.
- 3) **Innovator** – this is a new category introduced in 2000 requiring employment of at least 2 British citizens in your new UK business and a proven track record in business.
- 4) **Retirement** – applicant must be at least 60 years of age, have an unearned income (i.e. rents, dividends or interest) of GBP 25,000 and ties to the UK (probably purchasing a property is sufficient to establish required ties). Status can be tax-free as a non-domiciled resident.
- 5) **Ancestry** – for Commonwealth citizens with a grandparent born in the UK. For non-commonwealth citizens who do meet the ancestry requirement, an economic citizenship program of St Kitts, Belize, or Dominica could enable anyone to qualify as commonwealth citizens.
- 6) **Work Permit** – generally very difficult as UK and other EU citizens have priority.
- 7) **Key Worker** – typically granted to people with unusual culinary or cultural knowledge, for example chefs hired by exotic foreign restaurants or language teachers.

8) **Sole Company Representative** – for employees (not owners) of an established foreign firm seeking to be represented in the UK.

9) **Special Status** – Special provisions apply to citizens of Bulgaria and Romania, as well as foreign lawyers, writers and artists. These groups are exempt from investment or employment creation requirements if they wish to start a business in the UK and obtain immediate residence.

10) **Skilled Migrants (HSMP)** - As of 28 January 2002, the UK has a new program to attract highly skilled Migrants. There is a 75 point test, similar to Australia's.

11) **Low Skilled Sectors Based (SBS)** – This scheme was introduced in 2003 and allows a certain fixed quota each year of immigrants aged 18-30 to work in businesses such as food processing or hotels.

12) **Illegal Immigrants** who have a job and become settled.

13) **Spouses or Dependents of Residents or Citizens.** Marriage or adoption is an option.

The bottom line is that Great Britain is a relatively easy place to get into physically, and once 'settled and self-supporting' there, it is relatively easy to get a residence permit. Because the law is so complex, it is best to be represented by an experienced immigration lawyer or consultant. Many former Home Office immigration officials have gone over to the other side and now represent would-be immigrants. Due to their excellent connections, some of them have very good records and have got residence permits for every single client they accepted. Later, citizenship is a matter of routine.

URUGUAY – Instant Program Closed Down

Uruguay's recent instant passport by investment program was shut down after 9-11. But legal residence can still be had. Five years later, you can apply for citizenship. Some physical presence in the country is required, but travel abroad is not monitored. Montevideo is also a de facto tax haven, an ideal South American base for international businessmen. To qualify for citizenship, you will be required to speak Spanish. The Uruguayan passport is an excellent one with good visa-free travel.

VANUATU – Easy Entry to a Tax Haven

This group of islands in the Pacific, formerly known as the New Hebrides, was jointly administered by France and the United Kingdom until independence in 1980. Port Vila went on to become the South Pacific's first tax haven and finance center. For both residents and non-residents it offers extensive secrecy provisions and a very citizen-friendly tax regime. Vanuatu's venture into offshore finance has proven an uphill struggle, with some major setbacks which have damaged credibility and reputation, perhaps irreparably. In 2001 Vanuatu had to call in New Zealand's Serious Fraud officials to investigate unauthorized but state-backed 'letters of guarantee' that were issued by the former Prime Minister, Barak Sope, to an Indian businessman.

The total value of the guarantee was \$200 million, more than the whole country's entire annual income. This scam threatened to bankrupt the nation.

Shortly afterwards, the USA publicly identified Vanuatu as a center for Russian mafia money laundering. This resulted in Vanuatu joining Cuba as the only nation in the world that was prohibited from using the US banking system. Transfers to and from Vanuatu companies were seized as they passed through American correspondent banks. Needless to say, this situation lasted only a matter of weeks before the island nation, starved of US dollars, caved in to American demands, and sold out the confidentiality of the offshore center.

Vanuatu's passport, while damaged by the negative publicity surrounding the offshore scandals, is not a bad travel document. It benefits from visa-free travel to the United Kingdom and most British Commonwealth countries. Visas to other countries in Europe and Asia are quite easy to obtain upon showing proof of funds. It's also a good banking passport since Vanuatu is an English-speaking country, and bankers cannot expect you to know another language. Be prepared to answer some questions about the South Pacific, however. We would say it qualifies as something of equivalent value to a South African passport, but much lower profile.

Vanuatu has never had an official economic citizenship program. Indeed, even long term residents have found it hard to be naturalized legally. However, Barak Sope (the Prime Minister who bankrupted the government by issuing the guarantees to the Indian businessman) is known to have sold a large number of Vanuatu passports on the black market, mainly in China and India. Word on the street is that this lucrative enterprise has been taken over by senior officials in the new government and continues to this day.

VENEZUELA – A Good Passport Available on the Grey Market

Venezuela offers one of the best Latin American passports, in the same league as Argentina and Brazil. It has visa-free travel to almost all of Europe, and visas for other countries (even the USA) are relatively easy to obtain. Don't be too worried about the 'chaos' you read about these days, brought on by Venezuela's leader Hugo Chavez who is a good personal and ideological friend of Fidel Castro. Venezuela, like Italy (many Venezuelans have Italian ancestors), has always been a little on the anarchic side.

Upon arrival without any visa, you can stay for 90 days if you are from most countries. At the airport, they give you a yellow piece of paper which is your tourist visa. Don't lose it! You can write a departure date of up to three months on it. Then you have to exit the country for a few days. Always pad your tourist visa with the maximum days, since the Venezuelan police will harass you if you overstay.

Want to become a citizen? The next step toward Permanent Residency is the *Pase de Transeunte* which is sort of a temporary residency. You have to have two Venezuelan witnesses sign for you and a letter from your employer. In other words, you should get a job (or set up a company and give yourself a job) before you apply for a *Pase de Transeunte*. There is a version of this visa for business-owners and retirees as well. Once you get your *pase* you will be entitled to reside here for one year, at which time you can apply for permanent residency which lasts four additional

years before citizenship. Citizens of Spanish-speaking countries, and also Italy, qualify for faster citizenship.

For more information about residency, visit the local ONI-DEX office, but don't expect them to be very helpful. You have to be persistent. Tips are expected for personal attention to your problems. As always in Latin America, we suggest you look around for an immigration lawyer rather than do-it-yourself. He may well be able to speed up the process considerably. If you are trying to do things on a low budget, plenty of professional fixers can be found working out of offices, stationery stores, etc., in the vicinity of the main ONI-DEX office in Caracas.

One lawyer we spoke to (on condition of anonymity) while researching this Report has another way you can be almost instantly naturalized. Should you select this option, you would have to spend two weeks in Caracas to go through the official process. During this time you would receive your *pase*, after which you are free to travel outside Venezuelan territory. After six months or so, you would return to Venezuela with your current travel document. During the six months a strange form of time distortion seems to occur, and somehow the official records show that you have held your residence permit for five years. You are thus eligible for naturalization and all the benefits of citizenship, including a passport! This service is reported to cost around \$75,000.

However, we have not dealt with this lawyer and can give no guarantees. We do not recommend illegal routes. If you choose to deal with a lawyer who is corrupt, you may very well end up losing your money and you will have no recourse. If you call the Venezuelan police and say you lost \$60,000 in a phony passport deal, they will just laugh at you, or maybe arrest you in the hope of extracting some more tips. So if you *must* become involved in such schemes, be sure to use a reliable escrow agent. In the past, we have also heard of passports by post, instant naturalization without as much as the need to visit the country. We believe, however, that this possibility has come to an end with the new style, high security machine-readable Venezuelan passports which are being issued from 2004 onwards.

What about Venezuela as a place to live? It is cheap in every respect. Nobody pays much attention to any laws, and there is no income tax. Caracas is a dangerous city, but in resorts like Margarita Island, there are many foreigners and very little crime. There are also European outposts, such as a little community in the mountains where everybody speaks German.

Taxes? Nobody really cares. The government gets its money from ownership of the oil reserves. Gasoline is dirt cheap, and you can easily earn enough to support yourself driving back and forth over the borders to neighboring countries selling the gasoline in your tank. So Venezuela is a good place to hang out for a while.

ZIMBABWE

Zimbabwe is one of the most corrupt nations on Earth along with Haiti, Romania, Philippines, and Nigeria. In all of the above countries any 'official' document is available from a fixer, at a price, and a very small price. Many European farmers and business people immigrated to Zimbabwe when it was a prosperous British colony. Later, it became independent as Rhodesia.

There were many children born in Zimbabwe of British, Italian, Jewish and Irish ancestry. After President Mugabe took over and installed a black bureaucracy, he made all white people choose between renouncing any other citizenship, and getting out of the country. The whites who decided to stay were promised a square deal and no property expropriation. Later on, Mugabe changed his mind and expropriated property and farms owned by local whites.

At this point, whites who chose to become Zimbabweans are in many cases, seeking their prior citizenships, or right to citizenship by birth to a foreign parent. The United Kingdom, closely followed by Australia and New Zealand (among others) is accepting them back into the fold. There are a few countries actively courting white Zimbabweans to escape persecution and come and live there.

BEWARE OF BLACK MARKET ILLEGAL DEALS

“Opportunities” to acquire citizenship or travel documents are usually bogus these days. It is too easy to advertise on the net, to get a 50% deposit, and then keep the money, delivering nothing. A prominent German fraudster with at least a dozen websites (selling documents such as instant Monaco passports for \$10,000) goes a step further. He emails his victims a ‘scan’ of their new, but non-existent, passport. He promises that it will be sent out after they pay the balance. The suckers pay and hear nothing more. If they complain too loudly, they are blackmailed.

Bogus offers of passport deals emanate from Brazil, Chad, the Dominican Republic, El Salvador, Gabon, Guatemala, Greece, Honduras, Samoa, Sao Tomé and Príncipe, Somalia, Sierra Leone, Sudan, Tanzania, Tonga, Samoa, and most Central and South American countries. No legal, verifiable programs exist in any of those countries, but we have seen several examples of genuine-looking passports from all of those places. They appear to be legitimately issued. We have a special book that allows us to check certain security features on any passport, the same as a banker or border official might do. This book, the *Passport Information Manual*, published in the Netherlands, is mostly for the use of banks and government passport control points. But it is also available to private citizens. It can be used to verify the physical authenticity of any passport. A similar publication exists from an outfit in the Ukraine. Both cost thousands of dollars, nearly as much as buying the passport itself!

Such a book can tell you if you are looking at the real thing or a counterfeit. But remember, most of the dodgy documents out of these places are actually stolen blanks or stolen passports used by someone other than the person to whom it was issued. Merely having a document that is not counterfeit does not mean much on its own. If it was fraudulently obtained, there is always a risk in using it to cross borders. How much risk depends on the facts and circumstances. You should instead check it out through a lawyer or private detective who has access to the issuing government.

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