

UNITED NATIONS OFFICE ON DRUGS AND CRIME

ASSET RECOVERY INTER-AGENCY NETWORK SOUTHERN AFRICA

ARINSA

ANNUAL REPORT
2016



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LIST OF ABBREVIATIONS

ACC – Anti-Corruption Commission

ADSU – Anti-Drugs and Smuggling unit

AFU – Asset Forfeiture Unit

AFF – Asset Forfeiture Fund

AM – Asset Management

AML – Anti-Money Laundering

ARIN-AP - Asset Recovery Interagency Network – Asia Pacific

ARIN-EA – Asset Recovery Interagency Network – East Africa

ARINSA – Asset Recovery Inter-Agency Network for Southern Africa

ARIN-WA – Asset Recovery Inter-Agency Network – West Africa

BURS – Botswana Unified Revenue Services

CARIN – Camden Asset Recovery Inter-Agency Network

CCID – Central Crime Investigation Division

CTF – Counter Terrorism Financing

DCEC – Directorate on Corruption and Economic Crime

DCEO – Directorate on Corruption & Economic Offences

DEC – Drug Enforcement Commission

DFID – Department for International Development

DPP – Directorate of Public Prosecutions

ESAAMLG – East and Southern African Anti-Money Laundering Group

FATF – Financial Action Task Force

FIC – Financial Intelligence Centre

FIU – Financial Intelligence Unit

GAFISUD – Grupo de Accion Financiera de Sudamerica

GFI – Global Financial Integrity

GPML – Global Program against Money Laundering, Proceeds of Crime and the Financing of Terrorism

ICAC – Independent Commission against Corruption

INL – Bureau of International Narcotics and Law Enforcement Affairs

LMPS – Lesotho Mounted Police Service

LRA – Lesotho Revenue Authority

MRA – Mauritian Revenue Authority

NDPP – National Director of Public Prosecutions

NPA – National Prosecuting Authority

RRAG – Rede de Recuperacion de Activos de Grupo de Accion Financiera de Sudamerica (GAFISUD) in South and Central America.

SADC – Southern African Development Community

SRA – Swazi Revenue Authority

UNCAC – United Nations Convention against Corruption

UNODC – United Nations Office on Drugs and Crime

UNTOC – United Nations Convention against Transnational Organized Crime

WLFC – Wild Life and Forestry Crime

ZPA – Zambia Prosecuting Authority

ZRA – Zambia Revenue Authority

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EXECUTIVE SUMMARY

To support international efforts to combat money laundering, the United Nations Office on Drugs and Crime (UNODC) through the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA) continued to provide technical support to Member States in 2016. An international conference on “Taking the Proceeds from Wildlife and Forest Crime (WLFC)” was held in Bangkok in January 2016. The objective of the conference was to facilitate further cooperation between African and Asian countries in the fight against WLFC.

The work of ARINSA was show-cased at the AGM for Africa Prosecutors Association (APA) held in Angola in November 2016 and at a side event of the 12th Global Programme on Anti-Corruption, Financial Crime and Asset Recovery in Vienna in July 2016.

Several national as well as regional trainings/ workshops were delivered in 2016.

Regional trainings/ workshops: In September 2016, ARINSA was requested by the South African Chief Justices Forum held in Windhoek, Namibia to sensitize the Chief Justices and judiciary on the adjudication of money laundering cases, dealing with cybercrimes and terrorism. In June, participants from the ARINSA community and other countries in the region gathered in Pretoria, South Africa to share experiences and best practices at the ARINSA Annual General Meeting.

The Prosecutor Placement Programme (PPP) continued in 2016 in South Africa. Prosecutors from Botswana, Burundi, Ethiopia, Lesotho, Malawi, Namibia, South Africa, Swaziland, Tanzania, and Uganda, participated during the 2016 placements.

The Mentorship Programme, saw 16 mentor placements in Lesotho, Malawi, Namibia and Swaziland.

National trainings/ workshops: A total of 189 police, investigators, prosecutors, magistrates, judges, financial intelligence analysts, and compliance staff in banking institutions received training. Officials from Botswana, Burundi, Ethiopia, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Uganda, Zambia and Zimbabwe received training. The topics included asset tracing and forfeiture, financial investigation, money laundering, financial investigations, asset forfeiture, financial intelligence, financial interviews, addressing the proceeds and instrumentalities of predicate offences, the application of anti-corruption and current Anti-Money Laundering (AML) legislation to address proceeds in corruption cases, identifying and handling of suspicious cash, and concepts and points to prove and income and expenditure, and net worth analysis.

1. MONEY LAUNDERING: THE PROBLEM

INTRODUCTION

A recent study by the Global Financial Integrity (GFI) entitled ‘Illicit Financial Flows from Developing Countries: 2004-2013’ conservatively estimated that US\$1.1 trillion left developing countries in illicit financial outflows. Sub-Saharan African countries experienced the bulk of illicit financial outflows.

Southern Africa as part of Sub-Saharan Africa is not immune to illicit financial flows and measures are being put in place to address the problem. Transnational organized crime across Southern Africa continued to increase in recent years. Illicit trade in the Southern African Development Community (SADC) region includes a range of items such as illicit drugs and precursor chemicals, small arms and

light weapons, wildlife and natural resources, tobacco products and fraudulent medicines, as well as trafficking in persons and smuggling of migrants.

CHALLENGES IN THE REGION

Illicit trafficking is among the most challenging forms of crime in the region. It is an integral part of the organised crime chain, both facilitating the spread of illicit contraband and generating considerable profits for those involved. Transnational organised crime groups take advantage of the long and porous borders, the ease of cross-border trade, the diversity of individual countries’ legislations, and the lack of information-sharing and cooperation among law enforcement agencies in the region. The proceeds from crime eventually have to be integrated into the international financial system in order for the illegal networks to conduct their operations. The latter has been evidenced by an increase in cash smuggling cases in Southern Africa.

The criminal justice systems of most jurisdictions in the SADC region are generally weak in the face of challenges posed by organised crime, and in particular, financial crimes and money-laundering. Law enforcement agents regularly focus on confiscating physical objects such as bags of money, drugs, rhino horn etc., rather than tracking and seizing the proceeds of crime from the criminal networks. Effective law enforcement requires tracking, confiscating and seizing the proceeds of crime in so doing making it more difficult to launder the proceeds of crime.

2. UNITED NATIONS OFFICE ON DRUGS AND CRIME MANDATES

The Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML)

The Global Programme against Money Laundering, Proceeds of Crime and the Financing of Terrorism (GPML) contributes to anti-money laundering and countering the financing of terrorism policy development, raises awareness, contributes to strengthening of governance measures and is the centre of excellence for anti-money laundering. The programme is at the centre of UNODC’s mandate to prevent drug offences and other crimes.

The United Nations Office on Drugs and Crime (UNODC) through its GPML programme, is providing technical assistance to SADC member states to address the problem of money laundering guided by the international instruments namely; three (3) Drug Control Conventions (Convention on Psychotropic Substances (1971), United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances (1988), Single Convention on Narcotic Drugs (1961)), the Convention Against Transnational Organized Crime (UNTOC) and the Convention Against Corruption (UNCAC), as well as the International Convention for the Suppression of the Financing of Terrorism. It has also supported the adoption of global standards developed by the Financial Action Task Force (FATF), the major standard-setter in the field of Anti-Money Laundering (AML).

3. MONEY LAUNDERING: ASSET RECOVERY INTER-AGENCY FOR SOUTHERN AFRICA (ARINSA) RESPONSE

The regional response to the global problem of money laundering has been the creation of the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA) with the support of the UNODC’s GPML programme.

In March 2009, UNODC assisted asset recovery practitioners from ten Southern African countries to gather together and establish the ARINSA network based on the Camden Asset Recovery Inter-Agency Network (CARIN) model in Europe.

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Similar to CARIN, ARINSA is an informal network of contacts and a cooperative group in all aspects of tackling the proceeds of crime. The aim of ARINSA is to increase the effectiveness of members' efforts, on a multi-agency basis, in depriving criminals of their illicit profits.

The ARINSA network brings together investigators, prosecutors, senior practitioners, judges, magistrates, law enforcement authorities and other professionals in anti-money laundering from other networks all around the world.

3.1 ARINSA'S OBJECTIVES

ARINSA shares the following objectives towards achieving its aim:

1. Focus on the proceeds and instrumentalities of all crimes, within the scope of international obligations;
2. Establish itself as a Centre of Excellence on all aspects of tackling the instrumentalities and proceeds of crime;
3. Promote the exchange of information and good practice;
4. Establish a network of contact points;
5. Facilitate and promote, the establishment, where possible, of national centres of excellence in all aspects of tackling the proceeds of crime;
6. Make recommendations to other bodies such as the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG) and SADC, relating to all aspects of tackling the proceeds of crime;
7. Act as an advisory group to appropriate authorities;
8. Facilitate, where possible, training in all aspects of tackling the proceeds of crime; recognise the importance of cooperation with the private sector in achieving its aim.

3.2 ARINSA PARTNERS

ARINSA has partner networks that are spread across the globe as illustrated below.

- ARIN-AP – Asset Recovery Interagency Network – Asia Pacific
- ARIN-EA – Asset Recovery Interagency Network – East Africa
- ARIN-WA – Asset Recovery Inter-Agency Network – West Africa
- CARIN – Camden Asset Recovery Inter-Agency Network
- RRAG – Rede de Recuperacion de Activos de Grupo de Accion Financiera de Sudamerica (GAFISUD) in South and Central America.

3.3 ARINSA DONORS

In 2016, funding for the ARINSA programme included contributions from the Department for International Development (DFID) in the United Kingdom (UK) and the Bureau of International Narcotics and Law Enforcement Affairs (INL) at the United States Department of State.

In 2016, INL provided support to ARINSA through GPML. The funding was directed towards offering anti-money laundering technical assistance, training courses and mentoring programs.

3.4 MEMBERSHIP

ARINSA membership status is open to any African Member State. The following countries are current members of ARINSA:



Botswana, Lesotho, Madagascar, Mauritius, Malawi, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe. Seychelles and Madagascar are the youngest members of the network having been accepted in 2016. The following countries, Angola, DRC, and Kenya, have indicated that they would like to be members of ARINSA. Mozambique and Uganda have already made applications and will join the network in 2017.

The map indicates the spread of membership across the region.

4. CASE RESULTS AND SUCCESSES

4.1 ESTABLISHMENT OF LEGAL AND REGULATORY FRAMEWORK

The UNODC' mandate on AML is to help establish legal and regulatory frameworks as well the infrastructure and skills needed.

The key achievements have been assisting member countries in establishing Asset Forfeiture Units, Asset Forfeiture Funds and Asset Management Units. These are vital components in developing an effective asset forfeiture regime. Four (4) of the countries are in the process of amending legislation in line with international standards.

In 2016, the following developments were made in establishing the units to address proceeds of crime and money laundering issues. This information was provided in a survey of the member states:

- 80 percent of the ARINSA Member States have established an Asset Forfeiture Unit
- 36 percent of the ARINSA Member States have set up an Asset Forfeiture Fund
- 18 percent of the ARINSA Member States have established an Asset Management Unit

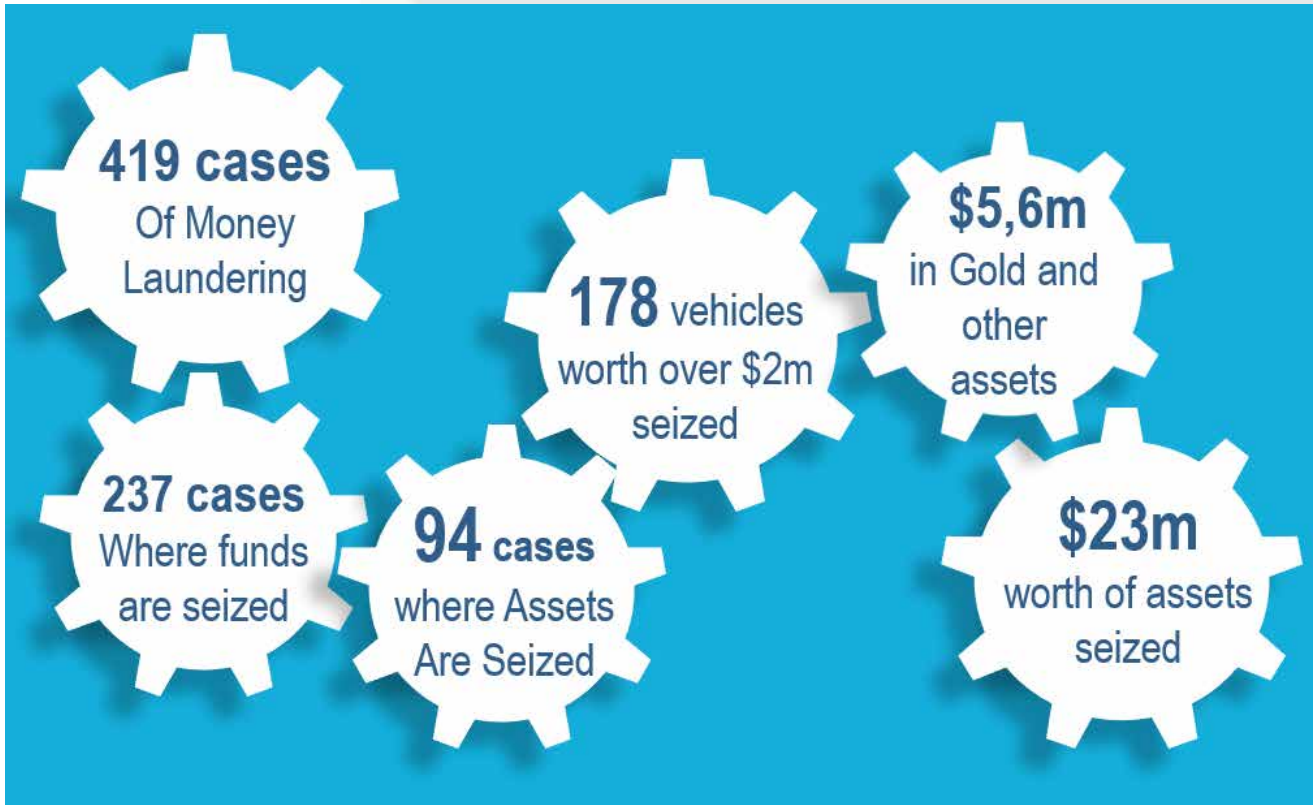
COUNTRY	AFU	AFF	AM
Botswana	Yes	Yes* ¹	Yes*
Lesotho	Yes	Yes	No
Malawi	Yes (early stages)	No	No
Mauritius	Yes	Yes	Yes
Namibia	Yes	Yes	No
South Africa	Yes	Yes	Yes
Swaziland	Yes*	Yes*	No
Tanzania	Yes	No	No
Zambia	Yes	No	No
Zimbabwe	Yes	No	No
Seychelles	No	No	No

The table above shows the existence of AML infrastructure in ARINSA member countries.

4.2 CASES

In 2016, member countries reported an increase in the number of cases of money laundering and proceeds of crime.

Some quick facts on 2016;



These figures exclude South Africa and Seychelles. Some samples of the cases that have been reported are detailed below.

¹* - Enacted in the Law and came into effect in December 2016.

4.2.1 MALAWI

Since ARINSA's involvement in Malawi through mentors and the Prosecutor Placement Programme, more focus has been put on addressing proceeds of crime, money laundering, financial profiling and not only predicate offences.

ARINSA has provided useful input, in both reviewing active and potential cases including a number of high level investigations. Input is also continuously provided through the review of the case management systems.



Major investigations currently being addressed, relate to high profile corruption involving *Cashgate* cases. Most of the cases relate to fraudulent procurement of goods and services to Government Departments. A number of these investigations have international links where goods and services are acquired from countries such as United Arab Emirates, South Africa and the United Kingdom. In one case, a number of rifles were procured at such a high price, that it would have been cheaper to book a business class seat for each rifle.

Mentoring also includes encouraging investigators to seek out physical proceeds and take photos of properties for documentation and follow up purposes





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In one case involving the Principal Secretary for Tourism, she was convicted and sentenced for receiving a fraudulent cheque payable to her own company. She reinstituted K63m (\$87,400) in property and cash equivalent to \$90,000. 56 bank accounts are currently under restriction.

To date 13 *Cashgate* suspects have been prosecuted, convicted and sentenced. Some assets have been recovered to the State including vehicles, cash and properties worth almost \$1m.

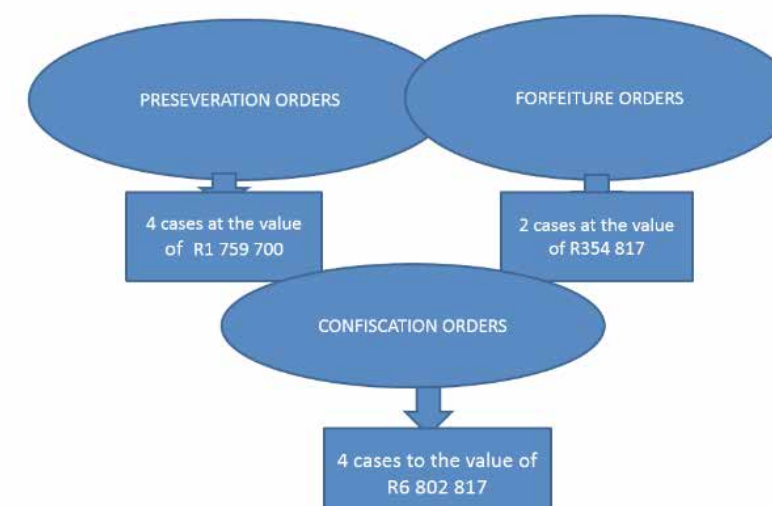
CASHGATE CONVICTIONS				
Name	Occupation	Date of conviction	Sentence	Assets recovered
Mike MSUNGAMA	Businessman (car hire)	March 2014	18 months (possession of stolen goods)	Nil
Tressa SENZANI	Principal Secretary, Ministry of Tourism	Aug 2014 (guilty plea)	3 years (money laundering) + 9 months (theft) – to run concurrently	MK 63m
Victor SITHOLE	Government Accounts Assistant	Oct 2014	7 years (money laundering) + 1 year (possession of stolen goods) + 1 year (illegal possession of FOREX) – to run consecutively	MK 112m Subject to appeal against conviction and forfeiture
Wyson SOKO	Businessman and Deputy Director of Youth for the Malawi Congress Party	Nov 2014	7 years (theft and money laundering)	Resident Magistrate refused recovery of MK 41m- sentence 'reflected inability to pay confiscation'
Maxwell NAMATA	Former Government Accounts Assistant	Jan 2015	3 years (theft) + 5 years (money laundering) – to run consecutively	MK 23.5m
Luke KASAMBA	Businessman (Cross Marketing Ltd.)	Jan 2015	4.5 years (money laundering)	Subject to appeal against conviction and forfeiture
Oswald LUTEPO	Businessman (International Procurement Services and O&G Construction Ltd.)	June 2015 (guilty plea)	8 years (money laundering) + 3 years (conspiracy to defraud Govt) – to run consecutively	Nil to date MK 1bn + under scrutiny
Caroline SAVALA	Businesswoman (Camu Civil Engineering)	July 2015	Awaiting sentencing	Nil to date
Leonard KARONGA	Assistant Director of Tourism (Planning and Development), MTW&C	Aug 2015 (guilty plea)	Awaiting sentencing	Nil to date MK 500m under scrutiny
BANDULA CHIRWA	Senior Quantity Surveyor Ministry of Lands, Housing and Urban Development	Oct 2015 (guilty plea)	Awaiting sentencing	MK 513m laundered, benefit yet to be agreed
Esnaat NDOVIE	Businesswoman (Fusion)	Nov 2015 (guilty plea)	3 years	MK 12.9m to be 'restituted'
Allan MAGOMBO	Businessman	February 2016	Awaiting sentence	MK 32m laundered
Angella KATENGIZA	Businesswoman (Faith Construction)	March 2016	5 years	MK 106m laundered

The table above shows the progress with the *Cashgate* Scandal to-date.

4.2.2 LESOTHO

UNODC through ARINSA provides continued to provide technical assistance to Lesotho. The Prosecutor Placement Programme (PPP) has offered training for three prosecutors from Lesotho since 2014. A mentor has been placed in Lesotho to give technical assistance in asset forfeiture. This effort has made insurmountable vicissitudes in Lesotho's money laundering and proceeds of crime regime.

The assistance has proved fruitful as evidenced by a number of cases coming through to the prosecution division. The understanding and appreciation of this effort has been realized in an effort put by investigators in cases of this nature. Test cases in the courts of law have been successful.



The statistics below are proof of the strides being made in asset forfeiture.

Some notable cases in Lesotho are:

- A concluded plea bargaining agreement in a matter involving R18 000 000 worth of property. The property was seized and the defence offered plea of guilty which was acceded;
- A case in which the bank was siphoned off approximately R10 000 000 (\$703 000) by its employees through cyber-crime. The stored data was thereafter deleted thereby concealing unauthorised transactions;
- In another, a fraud was committed to secure a debt collection contract from government. Collection of R90 000 000 (\$6,3m) was made but in return commission of R18 000 000 (\$1,265m) was paid to the fraudster; and
- In another case involving fraud, three policemen were charged, prosecuted and convicted with 132 counts in which they stole R833 000 (\$58 551). A confiscation order has been secured and the realisation process is taking place.

Below are some properties and vehicles that are the proceeds of crime and have been confiscated.



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4.2.2.1 LESOTHO POST BANK OFFICIALS CHARGED OVER M5.3 MILLION THEFT²

Two senior Lesotho Post Bank officials together with their relatives and a neighbour are facing charges of committing cybercrime and stealing M5.3 million from the bank. An audit revealed that certain numerous transactions in the banking electronic system were deleted and /or modified through an unauthorised tampering of transactions by the bank officials. As a result of the changes, tampering and alterations effected unlawfully into the system, revenue and monies belonging to the bank or was in its possession was stolen.

The suspects would apply for ATM cards, link them to certain accounts, transact by withdrawal method, delete, alter or tamper with data relating to those transactions.

4.2.3 TANZANIA

A number of restraint and forfeiture applications have been filed in courts and some restraint and confiscation orders secured.

The cases that stand out in Tanzania include:

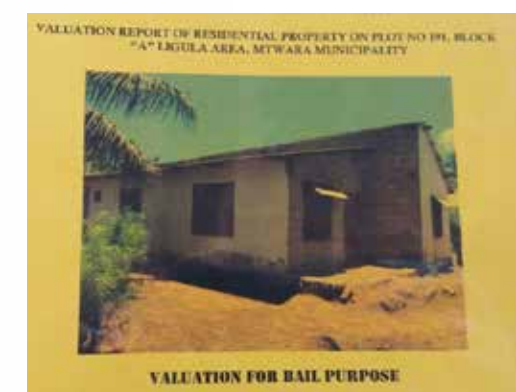
- Five (5) Applications for restraint that were filed in courts to restrain instrumentalities and proceeds of crime valued at 10.3 Billion (\$ 4.6 m). The predicate crimes involved are drug related offences, wildlife, money laundering and fraud. Out of these applications, three were granted, two are still pending in court;

- One (1) application for registration of a foreign forfeiture order that was granted in the UK was filed in the High Court to enforce that restraint order in Tanzania against property of the accused with a bank in Tanzania. The accused was convicted of drugs offences in UK and part of the proceeds were traced to a bank in Tanzania. Two (2) Forfeiture applications were filed in court. One application out of the two were concluded and for feiture order granted. A property valued at TZS70,000,000 (\$31,800) that was built using the proceeds of fraud and was forfeited;
- Courts issued confiscations orders in criminal cases in which the accused were found guilty. In 10 concluded wildlife crimes, the court found the accused guilty and sentenced them to pay as a part of punishment fines amounting to TZS 10 Billion (\$4.5m). Out of these fines, TZS240,000,000 (\$109, 090) has been recovered and, 7 motor vehicles valued at TZS140,000,000 (\$63,700) were confiscated. TZS 130,000,000 (\$59,000) has been paid as a fine by one of the accused who has been convicted with money laundering;
- 2200 head of cattle have been confiscated in three cases involving offences of grazing in game controlled areas. Out of the 1000 head of cattle confiscated in two cases, 890 have been disposed and TZS 200,000,000 (\$90,090) has been realized. 110 head of cattle died while the case was pending in court. 1200 head of cattle are not yet disposed of. They are under the management of wild life officers pending disposal, and
- Properties valued at \$400,000 (TZS 878, 000, 000) have been recovered.

4.2.4 SWAZILAND

Three(3)caseswererecordedinwhichtwo(2)vehicles,anIsuzutwincabvaluedatSZL110,000.00,Hyundai valued at SZL 60,000.00 and a Sansui television set worth SZL 6, 499.99 were restrained.

Seven (7) cases were recorded which emanated from predicate offenses. The total amounts involved was \$41m.





Four (4) money laundering cases in which the accused failed to declare currency which is above SZL 15,000.00 at the point of entry or departure according to the Money Laundering and Financing of Terrorism Prevention Act of 2011. The value of the cases was \$82,161.00.

Four (4) money laundering cases arising from suspicious unlawful activities.

Mutual Legal Assistance requests submitted included:

- South Africa – Three (3) witnesses were traced and located in which affidavits were obtained.
- New Mexico and United Arab Emirates where financial records and information was sourced from Financial Institutions in connection with a Fraud investigation
- South Africa - Five (5) requests for production of bank related information and documents in connection with Fraud investigations were executed.

Mutual Legal Assistance request received included;

- Three (3) requests for production of bank related documents, information and services of legal processes were received from South Africa and were executed in the period under review.

4.2.5 BOTSWANA

Following the coming into effect of the Proceeds and Instruments of Crime Act of 2014 (PICA) the Asset Forfeiture Unit (AFU) was formally established within the Directorate of Public Prosecutions (DPP), in 2015. It was started by two trained prosecutors who initially benefited from the Prosecutor Placement Program (PPP) in South Africa but has since increased to a complement of five in-house Senior Prosecutors.

Two test cases were filed and dealt with before the Chief and Principal Magistrate Courts during. The cases were:

- a) DPP v IRB (Pty) Ltd and 2 others, a company wholly owned by a sitting Member of Parliament (MP), a Minister who is also a MP and one commercial bank. This was a Restraint application where a rule nisi was obtained on urgency. The amount under restraint is over BWP 3,5million.

- b) DPP v DAVID LOFTUS WILLIAM, a Police officer who was attached to the Ministry of Finance and Developing Planning (MFDP). This was a Civil Penalty Application made in terms of Section 11 of PICA. This case is currently pending as a criminal case of 64 counts before the Principal Magistrate Court of Stealing by Servant since 2001.
- c) DPP v Simbi Phiri and his company Khato Civils (Pty) Ltd. A restraint order against him was obtained of close to BWP 26 million in the bank.

Other pending cases before the courts include:

- DPP vs AID & DEVELOPMENT
- DPP vs NOMSA SEKANIE & BancABC
- DPP vs Linnete Habana & Gaborone North Community Development Trust
- DPP v Mokgokong & 33 Others
- BURS V LONGRICH (PTY) LTD
- DPP v CAREER DREAMS (PTY) LTD

All the above cases still await registration before the Courts.

4.2.6 ZAMBIA

The Drug Enforcement Commission arrested two Zambia National Farmers Union (ZNFU) officials for money laundering. The Executive Director of ZNFU was jointly charged with the former President the union for theft by public servant, obtaining money by false pretences and money laundering. The accused and other persons unknown fraudulently authorised the transfer of K906, 750.00 (\$94,848.00) from the ZNFU account to R.N Parks and Gardens.

The duo further fraudulently authorised withdrawals of a sum of \$15, 000.00 from the ZNFU Dollar account purporting that the said funds were for various members of staff attending conferences in South Africa when in fact not.

In the third count, jointly and whilst acting together with other persons unknown fraudulently obtained household furniture from Décor More Investments Limited valued at K169, 000.00 (\$17,677.00) which was paid for by drawing cheques on the ZNFU account. The suspects are currently on police custody and waiting to appear in court³.

4.2.7 NAMIBIA

A mentor was placed in Namibia to build the capacity of the authorities (prosecutors, NAMPOL, LEAs and key AML/CFT stakeholders) as part of the implementation of the technical assistance work plan to support Namibia in strengthening the entire AML/CFT regime to comply with FATF international standards, address ML/FT high risks identified in their National AML/CFT Risk Assessment (NRA) whilst also, supporting authorities efforts in combatting ML in relation to the emerging Rhino poaching crisis and other Wildlife and Environmental crimes.

During the period of November 2015 to November 2016 the Namibian AFU obtained over fifteen (15) (freezing) preservation orders with the value of N\$34 554 327 consisting of over 10 vehicles, two houses and money in bank accounts. During the same period the Namibian AFU obtained 20 (Final Orders) Forfeiture and Realisation Orders valued at N\$29 312 000 consisting of over 10 vehicles, cash seized by NAMPOL as well as money in bank accounts.

³More: <https://www.lusakatimes.com/2016/09/20/dec-charges-znfu-with-theft-by-servant-and-money-laundering/>



Cash and a vehicle seized by Law Enforcement Agents of Namibia.

4.2.7.1 THE PROSECUTOR - GENERAL V XINPING

The cash (see picture) was N\$3 002 896.50 found in a sealed box, the box was found and seized by Nampol during a combined operation with Customs Officials to investigate the sale of counterfeit goods at China Town in Windhoek. The Money was forfeited to the State under POCA 4/2013.

The Land Rover (see insert) was forfeited to the state under POCA 5/2013 on the basis that it was the proceeds of fraud, theft and money laundering, following a suspicious transaction report on a farm manager who transferred over N\$600 000 to his wife's account while in custody on a charge of fraud and theft. During the investigations by NAMPOL, it was discovered that the Farm manager sold wild animals belonging to his employers (without their consent) and used the proceeds of the sale to purchase the Land Rover.

4.2.7.2 THE PROSECUTOR - GENERAL V NATANGWE KONDJENI KANIME

The house (See picture below) was forfeited to the State under POCA 3/2012 on the basis that the money used to purchase and build the house was the proceeds of tax evasion, in contravention to the Gambling Act, Dealing in unpolished diamonds and money laundering among others.



A house that has been frozen under POCA in Oshakati, Namibia.

4.2.8 ZIMBABWE

The Zimbabwean Asset forfeiture Unit has managed to make forfeiture orders in respect of various properties since its inception in 2014 and the promulgation of the Money Laundering and Proceed of Crime Act Chapter 9:24 in 2013. Here are some of the notable cases:

4.2.8.1 THE RECOVERY OF MOTOR VEHICLES IN 2016 IN CIRCUMSTANCES WHERE THE OWNERS WOULD HAVE COMMITTED OFFENCES UNDER VARIOUS STATUTES MORE SPECIFICALLY UNDER THE VEHICLE REGISTRATION AND LICENSING ACT.

The top executive of the Zimbabwe Revenue Authority (ZIMRA) has had their luxury vehicles confiscated and are now subject to the process of forfeiture. The executive had undervalued the value of the motor vehicle in order to underpay customs duty on the cars. Some of which were registered to be a Toyota Raum worth \$3,000.00 (Three Thousand Dollars) and yet it was a Toyota Prado worth US\$80,000.00 (Eighty Thousand Dollars). All the cars were forfeited to the state.

4.2.8.2 CHARGES FOR CONTRAVENING SECTION 59 (2) (B) OF THE PARKS AND WILDLIFE ACT CHAPTER 4:02 AS READ WITH SECTION 189 OF THE CRIMINAL LAW CODIFICATION AND REFORM ACT CHAPTER 9:23, C/S 182 (1) OF THE CUSTOMS AND EXERCISE ACT 23:02

a) The first of 3 accused persons who are South African nationals moved 29 Sables from Hwange to Nottingham Estate in Beit Bridge without a permit. They then attempted to depart with the animals through an undesignated point along Limpopo River without declaring the animals. Value of the 29 Sables was put at \$435,000.00 (Four Hundred and Thirty Five Thousand Dollars). The fourth accused assisted the three. The Sables and four high powered Toyota Land Cruisers and trailers were taken and forfeited to the state upon conviction of the four accused persons. The cars have since been shared between Border Control and Parks departments.

b) Two men were accused of smuggling ivory to China aboard an Ethiopian Airways plane. The accused took the Ivory to the Harare International Airport in a Mercedes Sprinter motor vehicle. The motor vehicle was intercepted at the airport and a search was conducted leading to the recovery of 618 kilograms of Ivory valued at \$154,000.00 (One Hundred and Fifty Four Dollars) and the Mercedes Sprinter vehicle. Further Investigations also revealed that the co-accused, had bought a Toyota Hilux double Cab for the accomplice which was also recovered.

The accomplice pleaded guilty and was sentenced to 15 years imprisonment and the two motor vehicles were forfeited to the state. The co-accused however is still at large.

4.2.8.3 CONTRAVENING GOLD TRADE ACT 21:03 UNLAWFUL POSSESSION OF GOLD WITHOUT A LICENSE OR PERMIT, SMUGGLING.

The accused was intercepted at Plumtree Border Post exit gate on his way to Botswana driving a Toyota Hilux Single Cab. The vehicle was searched and underneath the mat covering the floor of the loading box it was discovered that it had secret small boxes. The boxes were opened and 76 pieces of gold were found inside weighing 28.5297 kilograms the accused had no license or permit the car and gold were confiscated and accused arrested. He was granted bail but before he could be indicted

for trial to the High Court he absconded. The court proceeded in terms of Section 86 of the Money Laundering and Proceeds of Crime Act to forfeit to the State the confiscated property.

4.2.8.4 THEFT OF TRUST PROPERTY

The accused was a maid employed in Cape Town, South Africa. When she left she stole R1.5m cash from a vault and smaller cash amounts in Euros and United States dollars. She was arrested and prosecuted for the theft in Zimbabwe. R500 was recovered and some various other small amounts in other currencies. Properties that she had acquired were forfeited and sold to recover the money. The complainant was invited to Zimbabwe and handed over the money that had been recovered.

4.2.8.5 FRAUD

a) The Chief Executive officer of the Anti-Corruption Commission (ACC) was accused for unlawfully buying a personal shelf Company and opening a personal FBC Company account without the authority of the ACC, in order for him to acquire property for the Commission without following the proper tender procedures. The accused bought a property worth US\$ 1.2 million and yet claimed US\$ 1.7 million from the Commission. The balance of US\$ 435,500.00 (Four Hundred and Thirty Five Thousand Five Hundred United States Dollars) was deposited into his personal FBC bank account. The accused was convicted and sentenced to 10 years and 5 years were suspended on good behaviour. The property was forfeited.

b) The 1st and 2nd accused persons were employees of the Ministry of Finance and Economic Development holding the post of Principal Accountant and Accountant respectively. The rest were members of the public who connived with accused 1 and 2. The accused persons opened bogus bank accounts with fictitious names and defrauded the Ministry, of US\$ 725,000.00 (Seven Hundred and Twenty Five Thousand Dollars) purporting to be suppliers to various government institutions in the Ministry of Lands. Only US\$ 4,310.00 (Four Thousand Three Hundred and Ten United States Dollars) was recovered. Various properties including motor vehicles and houses have been confiscated pending forfeiture on completion of the trial.



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Other cases of note

- a) Gold smuggling case
Motor vehicle forfeited and gold 8.0589 kilograms worth US\$ 304,585.83
- b) Arrested on their way into Botswana, motor vehicle in which gold was hidden was forfeited and gold 5.336 kilograms.
- c) Gold smuggling arrested at Plumtree Border post 11.476 kilograms of gold recovered hidden in motor vehicle gold and motor vehicle forfeited to the state
- d) Gold smuggling, arrested at Plumtree border post weighing 6.2106 kilograms was recovered hidden in the wiper compartment, the car and gold were confiscated and later forfeited to the state.
- e) The accused was arrested at Plumtree whilst trying to smuggle 3.5 kilograms of gold out of the country the gold was confiscated and forfeited to the state.

4.2.8.6 FIRST CASE OF MONEY LAUNDERING IN ZIMBABWE

Arthur Chikukwa, a Harare business man was jailed for an effective four years after being convicted of fraud and money laundering. He defrauded a prospective coal miner of over \$2,7 million. The trial began in October 2016 in the High Court, and he was convicted after a full trial.

He was slapped with 10 years' imprisonment, of which two years were suspended for five years on condition of good behaviour. A further four years were set aside on condition Chikukwa pays restitution of \$225 000 to the complainant, by no later than 31 December, 2017.



An order of compensation was also granted to the complainant's firm in terms of Section 362 of the Criminal Procedure and Evidence Act in the sum of \$54 118,57.

The charges against Chikukwa arose in 2014, when he misrepresented to the complainant that he was selling a coal-mining concession. The parties sealed the deal, culminating in the complainant handing over to Chikukwa, a house, a Toyota Prado, a Toyota Lexus and \$125 000, with the hope he would fulfil his side of the agreement. Chikukwa made the said misrepresentations, knowing well he had not obtained authority to sell the said special grant to the complainant from the government.

In respect of the money laundering charge, the court heard that during the same period, Chikukwa received, possessed, concealed and disposed of the two motor vehicles, cash and a residential stand knowing that, at the time of receipt of such property, the said money and goods were proceeds of crime.

4.2.9 MAURITIUS

4.2.9.1 WHITE DOT CASE UPDATE

In 2013 the police started an investigation into a massive Ponzi scheme fraud case following complaints made by members of the public. White Dot Company was inviting members of the public to invest in the said company against payment of interest three times higher than the normal rates offered by other financial institutions. Also the company was recruiting agents all over the island to canvass for investors.

Investigations revealed that the sum of over R600m (\$19,7m) was misappropriated and more than 500 individuals were defrauded. Monies paid by members of the public were paid into several bank accounts managed by White Dot and was not invested as represented to investors but was used in part to pay dividends to investors and the remainder to buy property and vehicles in the name of the Directors.

Applying best practices learnt from ARINSA and organising Task Force meetings helped them get through the challenges. Stake holders (police, Independent Commission against Corruption (ICAC), Financial Intelligence Unit (FIU), Mauritian Revenue Authority (MRA)) came together and gathered maximum information to prepare the application. The Supreme Court gave, restraining orders to freeze the accounts and properties of the persons involved and the Company in Mauritius. Part of the money was transferred to Switzerland.

Contacts in Switzerland were established through CARIN using the ARINSA Network, to ask law enforcement authorities in Switzerland to freeze the sums in the hands of the respective beneficiaries. The sum of CHF 40,163.05 (MUR 900,032.70) was seized in Switzerland and the same was transferred to Mauritius and returned to the victim in January 2016. Several vehicles were sold amounting to MUR 14 million (\$391,615.28) and was credited to the Restraining account so that after the final determination of the criminal case the monies will be returned to the victims. The criminal enquiry has been completed and the case is at the DPP's office for advice.

In another similar Ponzi scheme case involving Sunkai Co. Ltd, MUR 200 million (\$5,594,504.00) was seized and the same is being returned to the victims gradually.

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4.3 INTERNATIONAL CASES

4.3.1 THAI MAN, CHUMLONG LEMTONGATHAI'S ASSETS FORFEITED IN THAILAND

In 2012, Chumlong was sentenced to 40 years in prison for rhino poaching in South Africa. He was involved in a syndicate that used white rhino trophy hunts as a cover-up to trade horns to the Asian black markets.

Following the case, ARINSA held two international workshops on "Taking the Proceeds from Wildlife Crime". The first workshop was held in Botswana in June 2014, and a follow workshop was held in Bangkok in January 2015. The aim of the workshops was to enhance cooperation among prosecutors and investigators of wildlife and forestry crime in Africa and Asia to confront these offences.

Soon after the Bangkok conference in January 2015, financial investigations began on Chumlong's assets in Thailand with the assistance of the ARINSA network. In 2016, the courts issued an order to confiscate Chumlongs' assets. The assets confiscated included, 2 bank accounts with total amount of 1,423,951.04 Thai Baht (\$40,522) and 1 house worth 5 Million Thai Baht (\$142,288).



5. ARINSA ACTIVITIES IN 2016

In 2016, UNODC supported ARINSA in hosting a number of activities in line with strengthening technical cooperation and capacity building. Most of the activities were geared towards handholding prosecutors and investigators through a long term mentoring programme.

The activities included:

5.1 ARINSA AGM

The ARINSA AGM was held in Pretoria, South Africa, from 7 to 8 June 2016.

The AGM was attended by well over 60 delegates from 18 countries. The ARINSA countries were well represented and joined by observer countries including, Burundi, Democratic Republic of Congo, Ethiopia, Kenya, Uganda, Madagascar, Angola and Mozambique. The President of the ARIN-WA, Mr. Samuel Essel was also in attendance representing West Africa. Many embassies and High Commissions in Pretoria were in attendance, including France, Netherlands, United Kingdom and United States. This was the first multi-lingual ARINSA Annual General Meeting with interpretation being provided in English, French and Portuguese.



The Regional Representative for UNODC, Ms. Zhuldyz Akisheva and Adv. Nomvula Mokgatla, Head of the South African Asset Forfeiture Unit, gave opening addresses, giving valuable insights into their AFU experience, including the need for regional cooperation, effective administration and investigation of cases, and to ensure that forfeiture orders were ultimately fulfilled.

The ARINSA's website, as a tool for exchanging and sharing of information on money laundering and proceeds of crime, has increased in popularity and relevance to registered members. It was reported that there were now over 460 members of the ARINSA community. The membership being drawn from the judiciary, prosecutors and law enforcement in the region and internationally. It was reported that since its launch on 2 July 2015, the web-site had been visited over 70,000 times.

ARINSA member countries made presentations on money laundering and asset forfeiture cases in the region. It was notable that there has been a significant increase in the number of cases prosecuted and the amount and value of the assets seized or confiscated.

The theme for the AGM was taking the proceeds from wildlife crime. Presentations were made by the following experts:

- Nick Ahlers from the wildlife trade monitoring network, TRAFFIC, - the global picture
- Julian Rademeyer from the South African Global Initiative Against Transnational Organised Crime – The problem in South Africa with emphasis on Rhino poaching
- JP Willemse from the Asset Forfeiture Unit of the National Prosecuting Authority in South Africa – the money laundering typologies for wildlife trafficking

The presentations covered the global, regional and national impact of wildlife and environmental crimes, especially rhino poaching and the emerging typologies. The overall picture emerging was of immense pressure on the populations of Africa's wildlife, marine life and timber. It was also significant that huge sums are being made by criminals by exploiting this illicit trade.

Tom Hansen, a consultant with UNODC gave his insights into how to develop national strategies on taking the proceeds from crime.

The Secretariat reported on the Steering Committee Meeting. The AGM was informed of the Steering committee decision to accept Seychelles as a member of ARINSA.

The Secretariat also reported on the election of the presidency of Botswana represented by Mpho Letsoalo, of the Directorate on Corruption and Economic Crime. Botswana will hold the presidency for the next two years.



Conclusion

2016's AGM confirmed the progress that has been made by ARINSA countries in taking the proceeds from crime. It was also refreshing to see the interest from so many countries outside of the network and the international community.

5.2 INTERNATIONAL WORKSHOPS AND OUTREACH ACTIVITIES

ARINSA was represented in several international workshops including the Tipping Point Launch at the Norwegian Embassy in South Africa on 11 July 2016, a High Level Meeting on Financial Flows in Africa at the Pretoria University, South Africa from 14 – 15 July 2016, the Wildlife Crime Workshop for WLFC in Namibia from 1 – 5 August 2016, and the Regional Asset Recovery Network Meeting at CARIN in the Netherlands from 4 – 9 July 2016.

5.2.1 ASSET MANAGEMENT WORKSHOP ACCRA, GHANA, 24 - 26 FEBRUARY 2016

The workshop was attended by 20 officials from the Ghana FIU. It was aimed at addressing the problems of managing assets subject to confiscation proceedings and was presented by Mr. Fitz-Roy Drayton, Adviser to ARINSA and Mr. Kodjo Attisso from the International Centre for Asset Recovery. Topics covered included the management of assets whilst proceedings were pending, post-conviction and after the making of a confiscation order. The workshop assisted in bringing the participants' attention to international standards and practical aspects of asset management. Recommendations from the workshop were presented to the Swiss Ambassador to Ghana, His Excellency Gerhard Brugger.

5.2.2 WILDLIFE CRIME WORKSHOP – DOUALA, CAMEROON, 21 – 23 APRIL 2016

The workshop was designed to address the problems of forestry crime in Central Africa. The presentations made at the workshop were to alert the participants to the international standards and practical aspects of money laundering and proceeds of crime associated within forestry crime. Countries represented at the workshop included Congo Brazzaville, Democratic Republic of the Congo, Cameroon and Gabon.

5.2.3 CARIN AGM ROTTERDAM, NETHERLANDS, 25 – 26 MAY 2016

The work of the ARINSA Network was showcased at the CARIN AGM held in Rotterdam, Netherlands from 25 – 26 May 2016. The ARINSA representative took part in side workshops dealing with the use of social networks to prove asset forfeiture cases. Contacts from Europe, the ARIN-AP Network covering Asia and the Pacific as well as members of the International Criminal Court in The Hague were established.

5.2.4 INTERPOL LAW ENFORCEMENT TRAINNET TRAINING WEEK, SINGAPORE, 23 – 24 JUNE 2017



ARINSA was represented at the second meeting of the Law Enforcement Training Network (LE TrainNet) hosted by INTERPOL, in Singapore. The LE TrainNet's objective was to establish a wide network of law enforcement training institutions; the programme is supported by many organizations, such as INTERPOL, the Organization for Security and Co-Operation in Europe (OSCE), the World Customs Organization (WCO), and the European Union for Law Enforcement Training (CEPOL). The programme is cooperating with the partners to jointly develop training materials to ultimately deliver these trainings globally. The presentation on the work of the ARINSA network presentation included, International conferences, Regional training, Bi-lateral training, Mentorship programmes, Prosecutor Placement Programme, and The ARINSA web-site. The presentation was very well received as it also covered the initiatives that are being used to trace the proceeds from wildlife crime.

5.2.5 ASSET RECOVERY REGIONAL NETWORKS MEETING, THE HAGUE, NETHERLANDS, 04 – 08 JULY 2016

Europol held an Asset Recovery Regional Networks meeting in The Hague, Netherlands and the ARINSA network was represented. Topics presented included how ARINSA is tracing the proceeds from wildlife and forestry crime in the Southern African region and the use of social networks to prove asset forfeiture cases. This topic was then further discussed at the ARINSA AGM in June 2016.

5.2.6 ASSET MANAGEMENT WORKSHOP, ABUJA, NIGERIA 20 – 22 JULY 2016

The workshop which was organised by the Commonwealth secretariat and the Nigerian government, was designed to address the problems of managing assets subject to confiscation proceedings. This included the management of assets whilst proceedings were pending and post-conviction and after the making of a confiscation order.

Presentations were made on:

- 1) Best practice and international standards
- 2) Practical problems of implementing asset management programmes

Case work on asset management was dealt with and the participants prepared their own model asset management manual based on a model which was provided. Recommendations were drawn paving the way for continuing the process of introducing an integrated asset management system in Nigeria.

5.2.7 ARINSA'S AWARENESS RAISING MISSION TO MADAGASCAR, 24 – 26 AUGUST 2016



The government agencies visited during the mission included the Office of the President, The office of the Minister of Finance, the Financial Intelligence Unit (SAMIFIN), The office of the Minister of Justice, The French Embassy and the Committee on Safeguarding Integrity (CSI) represented by senior officials from the Ministry of Finance, Ministry of Justice, Agency Against Corruption and Economic Crime, The Criminal Court, SAMIFIN, Customs and Excise, Treasury and Legal Experts from CSI responsible for developing the new legislation on anti-money laundering. There was undoubtedly a lot of interest towards making Madagascar to be more compliant with its GPML related obligations by joining ARINSA. It became apparent that the country is also planning to join the EGMONT group and that joining ARINSA would go a long way in ensuring that it meets the requirements. The country is also in the final stages of drafting a new anti-money laundering legislation to be presented before the parliament in October 2016. They indicated that they are in serious need of assistance towards achieving this and setting up the infrastructure required for successfully doing asset forfeiture and recovery.

5.2.8 WILDLIFE CRIME WORKSHOP – WINDHOEK, NAMIBIA 1 – 5 AUGUST 2016

The workshop was designed to address the problems of wildlife crime in Southern Africa. The presentations made at the workshop were to alert the participants to the international standards and practical aspects of money laundering and proceeds of crime associated with wildlife crime. Workshop attendees were from Angola, Botswana, Malawi, Mozambique and

Namibia. Presentations were made on the following subjects:

- Taking the proceeds from wildlife and forestry crime in the Southern African region.
- Using the social media to trace and confiscate the proceeds of wildlife and forestry crime.
- Round-table discussion on taking the proceeds from wildlife crime.



5.2.9 ARIN- AP ANNUAL GENERAL MEETING, SEOUL, KOREA, 25 – 27 OCTOBER 2016

The ARIN-AP AGM regular meeting of the ARIN-AP contact points. ARINSA was invited to address the problems of wildlife crime in Southern Africa. The presentations made at the workshop were to alert the participants to the international standards and practical aspects of money laundering and proceeds of crime associated with wildlife crime.

Australia, Brunei, China, Japan, Malaysia, New Zealand, Sri-Lanka, South Korea, Taiwan, Thailand, The Philippines and Vietnam were represented at the AGM. Presentations were made on taking the proceeds from wildlife and forestry crime in Southern African, using the social media to trace and confiscate the proceeds of wildlife and forestry crime, and round-table discussion on taking the proceeds from wildlife crime.

Recommendations that came out of the AGM included that there should be further training on the tracing of the proceeds of crime and taking the profit from wildlife crime and that there should be greater cooperation between the countries of Asia and Africa in tackling wildlife crime.

5.2.10 INITIATIVE TO ESTABLISH AN ASSET RECOVERY INTER-AGENCY NETWORK (ARIN) IN THE CARIBBEAN REGION - PRACTITIONER MEETING, BARBADOS, 15 – 16 NOVEMBER 2016

This Practitioner Meeting was the first phase in the process of establishing an informal asset recovery inter-agency network (ARIN) in the Caribbean, based on the existing five networks⁴ operating worldwide. Asset recovery practitioners from law enforcement, prosecution authorities and Attorney Generals' Offices, from 27 Caribbean jurisdictions were invited to the meeting to discuss the importance of an ARIN and the benefits that could be obtained through the creation of a network for the Caribbean⁵.

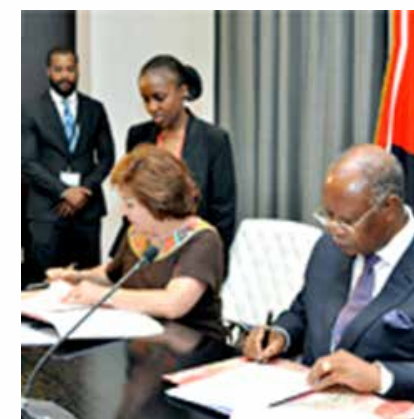
⁴ CARIN (Camden Asset Recovery Inter-Agency Network), ARIN-AP (Asset Recovery Inter-Agency Network Asia Pacific), ARIN-EA (Asset Recovery Inter-Agency Network Eastern Africa), ARIN-SA (Asset Recovery Inter-Agency Network Southern Africa), ARIN-WA (Asset Recovery Inter-Agency Network Western Africa) and RRAG (Red de Recuperación de Activos de GAFILAT – for Latin America).

⁵ Anguilla, Antigua & Barbuda, Aruba, Bahamas, Barbados, Belize, Bermuda, British Virgin Islands, Cayman Islands, Curacao, Dominica, Dominican Republic, Grenada, Guadeloupe (FR), Guyana, Haiti, Jamaica, Martinique (FR), Montserrat, St. Kitts & Nevis, St. Lucia, St. Maarten, St. Martin (FR), St. Vincent & the Grenadines, Suriname, Trinidad & Tobago, Turks & Caicos

The meeting was co-organized by the Organization of American States (OAS), the Regional Security System Asset Recovery Unit (RSS ARU) and the Office of the Director of Public Prosecutions, Barbados. Representatives from the following regional and international organisations were invited, and actively participated at the meeting: The Caribbean

Community Implementing Agency for Crime and Security (CARICOM IMPACTS), The Caribbean Financial Action Task Force (CFATF), The European Police Office (Europol), the United Nations Office on Drugs and Crime (UNODC), CARIN (Camden Asset Recovery Inter-Agency Network), ARIN-SA (Asset Recovery Inter-Agency Network Southern Africa) and RRAG (Red de Recuperación de Activos de GAFILAT).

5.2.11 11TH ANNUAL CONFERENCE OF THE AFRICAN PROSECUTORS ASSOCIATION (APA), LUANDA, ANGOLA, 16 – 19 NOV 2016



ARINSA was represented at the African Prosecutors Association held from 16 - 19 November 2016. An agreement to undertake activities at reducing transnational crime between UNODC and the African Prosecutors Association (APA) was signed at the meeting. The Memorandum of Understanding (MoU) between both bodies was signed in Luanda, Angola by Zhuldyz Akisheva, UNODC Regional Representative for Southern Africa and João Maria de Sousa, APA President and Angola's Attorney General.

At the signing ceremony, which occurred during the Annual APA meeting, Mr. de Sousa thanked UNODC for the ongoing cooperation through ARINSA with prosecutorial authorities and expressed confidence that the signature of the MoU will boost cooperation up to a continental level.

For her part, Ms. Akisheva highlighted the long history of cooperation with African prosecutors through global programmes and a network of UNODC offices across the continent. Ms. Akisheva added that goals for the promotion of high standards in the administration of criminal justice and in countering transnational organized crime are common to both UNODC and APA. She also emphasised the role of prosecutors in upholding the Rule of Law, which is key in the new Sustainable Development Agenda.

During the APA meeting, the challenges that the African prosecutors come across were also discussed, especially in the prosecution of corruption, money laundering and cybercrime. Discussions included the need for a more effective sharing of information, best practices, and facilitating mutual legal assistance among prosecutors in the region. The Asset Recovery Inter-Agency Network for Southern Africa (ARINSA) was presented as an example of such cooperation.

5.2.12 ARIN- WA ANNUAL GENERAL MEETING, ABIDJAN, CÔTE D'IVOIRE, 29 NOV – 1 DEC 2016

ARINSA was represented by its president, Mpho Letsoalo at the third plenary, held in Abidjan, Côte d'Ivoire, between 29 November and 1 December 2016. The plenary aimed at adopting key documents in order to make ARINWA a more operational network.



The representatives discussed how to make the Permanent Secretariat more operational and to revitalise their mutual relations. These reflections were guided by presentations from other ARIN-type network representatives sharing best practices and experiences with particular reference to the new ARINSA website (<http://new.arinsa.org>).

The remarks made by the Officials highlighted the importance of this initiative to ensure a more stable economic environment for West African citizens. By removing the proceeds of crime from the hands of transnational criminal networks, the Member States have the unique opportunity to invest the money recovered into their own national systems, and to combat crime.

The three days resulted in:

- the adoption of the manual of ARINWA;
- the logo of ARINWA;
- the report of activities 2014-2016;
- the programme for 2017.

It was also agreed that ARINWA will request to be an observer within ARINSA and have access to the ARINSA website.

5.3 REGIONAL WORKSHOPS

5.3.1 SOUTH AFRICAN CHIEF JUSTICES FORUM, NAMIBIA 22-25 SEPT 2016



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Windhoek, Namibia. The theme of this year's Annual Conference and General Meeting of the South African Chief Justices Forum (SACJF), "Contemporary Issues in the Prevention of Organised Crime", held from 22 – 25 September 2016, was a follow up to the Regional Judiciary Retreat held in Swakopmund, Namibia in July 2015.

The conference was organised by the SACJF Secretariat in partnership with the Office of the Judiciary of Namibia, the African Programme of the International Commission of Jurists (ICJ) and the Democratic Governance and Rights Unit (DRGU) in the Faculty of Law, University of Cape Town, with technical support from the United Nations Office on Drugs and Crime (UNODC) as well as the Financial Intelligence Centre, a directorate of the Bank of Namibia.

Delivering the keynote address during the official opening of the conference, the Speaker of the National Assembly of Namibia, Professor Peter Katjavivi, said, if organised crime is left unchecked it could have the potential to sabotage national institutions and national security organs to such an extent that states could become ungovernable.

He said dealing with organised crime is complicated in that most of the aspects are intertwined within each other and they are often transnational. Countries have to ensure that they are signatories to international/trans-boundary conventions which can facilitate trans-boundary duality of legislation dealing with organised crime. He went on to say that legislature should ratify international treaties and conventions so that the countries can actively fulfil the requirements of such treaties.

Quick Facts:

- **Two of the three deadliest terrorist attacks since 9/11 have occurred on the African continent.**
- **Boko Haram of Nigeria is ranked the world's no#1 deadliest terrorist group by the Global Terrorism Index 2015**

In his welcoming remarks, Chief Justice Peter Shivute of Namibia, added that the current legal system lacked the capacity to deal with the new and complex nature of transnational organised crime. He said that most criminal justice systems are generally unprepared and not well-resourced in the face of challenges posed by organised crime, particularly financial crimes and cyber crime.

Chief Justice Shivute made the comments when he welcomed 12 chief justices and 30 judges from various SADC countries and eastern Africa, as well as a number of non-judicial officers that were invited to share their expertise and experience on issues affecting member jurisdictions, and to discuss matters of common interest.

Various resource persons and experts from the UNODC under the Asset Recovery Inter-Network Agency for Southern Africa (ARINSA), shared their experiences in fighting, amongst others, cybercrime, money laundering, transnational organized crime and terrorism over the two days of the conference. The forum had an opportunity to learn from the experts to better anticipate and prepare for the future. This helped to guide the forum towards advancing regional and continental priorities that are aligned to global trends, which address member countries' needs. The topics shared included:

- Financing of Terrorism and Radicalism
- Trafficking in Persons
- Money laundering
- Cybercrime and the Judiciary Responses
- Guidelines on Judicial Appointments in Africa

"The ARINSA programme and partnership with the UNODC is critical to contain these serious crimes and unlock significant resources as Africa tries to achieve Agenda 2030, the Sustainable development Goals." Mr Arnold Tsunga, ICJ

Mr Mpho Letsoalo, the President of ARINSA emphasized the need for regional and international cooperation through a variety of networks and informal channels such as ARINSA, in order to be able to deal effectively with transnationally organised crimes.

Key action points that came out of the meeting included:

- Judiciary training in all Southern African countries on financial crimes and cybercrime
- Finalisation of the Judicial Appointments Guidelines and recommendations

Refer to “Annexure 3: Letter of Appreciation” for the feedback from the judiciary.

5.4 CAPACITY BUILDING IN MEMBER STATES

UNODC supported ARINSA in providing training on proceeds of crime and asset forfeiture, based upon individual needs for the countries. The training workshops were for the judiciary, prosecutors, investigators, FIU analysts, financial investigators, revenue authorities, police officers and other government officials. The countries’ national legislation was used to work through the training in order to address the challenges they were facing.

In 2016 ARINSA held the following capacity building initiatives based upon the countries’ specific needs:

5.4.1 CAPACITY BUILDING WORKSHOPS: BOTSWANA

The Asset Forfeiture Unit Department of Public Prosecutions (AFU DPP) trained 25 Police Officers in January 2016 on Asset Tracing and Freezing and the new Proceeds and Instruments of Crime Act -2014 (PICA).

One (1) Prosecutor with the Department of Public Prosecutions (DPP) was attached to the ARINSA Prosecutor Placement Program in South Africa for a month in May 2016.

In a training conducted by AFU DPP, on 30 May 2016, 25 Police Officers mainly Sergeants and Inspectors, benefited from a training on issues around Asset Tracing and Freezing and the new PICA Act.

5.4.2 CAPACITY BUILDING WORKSHOPS: LESOTHO

Financial Crime Investigation workshop on 17 August 2016 on Investigation Planning for 10 Lesotho Mounted Police Services (LMPS) staff.

Financial Crime Investigation workshop on 24 August 2016 addressed Requirements for a Successful Investigation for 6 LMPS staff.

Financial Crime Investigation workshop held on 01 December 2016 on Case Management for 28 LMPS staff.

Financial Crime Investigation workshop held on 14 December 2016 on Case Selection and Investigation Reporting for 29 LMPS staff.

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5.4.3 CAPACITY BUILDING WORKSHOPS: MALAWI

Training in Malawi was focused on mentoring financial investigators. The Department for International Development (DFID) donated forensic computer equipment and sent an expert to the ACB for a month to do training on new computer forensic skills. The trainees also received training on how to search for evidence and or intelligence of proceeds of crime on computers and electronic devices. Below are the ACB members that received training from expert Chris Elmore and the ARINSA mentor to Malawi.



A visiting group of 15 military men and women from the Economic Community of West African States (ECOWAS) came to do a research on corruption in Malawi. This was part of their training and promotion as officers. The group received input on financial investigations including key issues to look out for in a military supply chain management environment.

5.4.4 CAPACITY BUILDING WORKSHOPS: NAMIBIA

A Training workshop was delivered in Windhoek for 30 officials from Namibian Police, Prosecutor General’s Office, Financial Intelligence Centre (FIC) and the Ministry of Solicitor General’s Department. This was the first phase of a four tier phased training program (Basic, Advance, Train the Trainer and Trainers delivering the Basic AML Financial Investigations course).

5.4.5 CAPACITY BUILDING WORKSHOPS: SEYCHELLES

A workshop was held in Victoria, Seychelles for 45 Prosecutors and Investigators, from the following agencies; Seychelles FIU, Seychelles Police Force, Anti-Corruption Commission and Seychelles Revenue Authority. The workshop required the participants to familiarise with their legislation review a case study and prepare applications in the following matters; investigative tools, restraining orders, money laundering indictments, confiscation statements, civil forfeiture and mutual legal assistance.

5.4.6 CAPACITY BUILDING WORKSHOPS: SWAZILAND

A 3-day Financial Investigators workshop was held in Mbabane, where a group of 21 Swaziland Revenue Authority (SRA) officials received training on various issues such as:



- Financial Investigations & the role of the Financial Investigator, the SRA & other role players in combatting crime & money laundering
- Overview: Money Laundering and Asset forfeiture (background and legislation)
- Intelligence & Evidence
- Sources of Intelligence
- Asset Tracing & Analysis
- Investigative techniques & evidence for financial investigations
- Financial Interview Techniques & Statement Taking
- Hawala and Similar Methods of Movement of Value
- Analysing Documents & Bank statements
- Profiling individuals & entities & net worth analysis

The SRA staff walked away sensitised to their role in combating crime and money laundering and the importance of financial investigations in order to trace the proceeds of crime. They were given the back ground to international Anti-Money Laundering (AML) initiatives and Swaziland's relevant responses and legislation, including money laundering offences and asset forfeiture. They were also provided with insights into various financial investigation techniques and asset tracing methods.

5.4.7 CAPACITY BUILDING WORKSHOPS: ZIMBABWE

From 28 November to 2 December 2016, a practical workshop, based on a case study on taking the Proceeds from Crime was conducted in Harare, Zimbabwe. In 2012, the UNODC assisted in drafting and enacting the Money Laundering and Proceeds of Crime Act which provided Zimbabwe with an international standard piece of legislation that included non-conviction based forfeiture. The workshop was attended by 33 participants from the key agencies involved in tracing the proceeds of crime. Key areas tackled included:

- Mapping of criminal associations,
- Drafting of affidavits,
- Drafting money laundering charges, and
- Presentation of confiscation cases before a court.

Having received the training in these areas the participants were then asked to present the case for prosecution, defence and interested third parties in a real court.



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6. STRENGTHENING NATIONAL LAW ENFORCEMENT THROUGH MENTORSHIP PROGRAMMES

6.1 MENTORSHIP PROGRAM

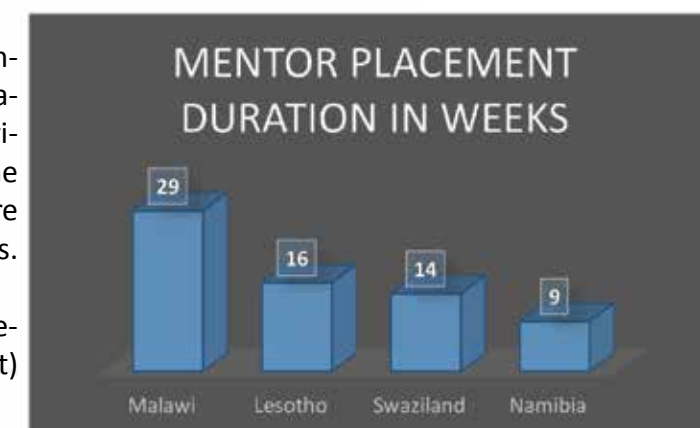
The Mentorship Programme has been one of the most effective services provided by UNODC in 2016. Experienced financial investigators have worked together with member countries to help them to establish their asset forfeiture regimes.

The strength of the Mentor Programme lies in the extensive knowledge and years of operational proceeds of crime experience. The mentors are ideally positioned to give expert advice, as well as provide the hands-on guidance that national practitioners need to develop the necessary infrastructure and effectively implement their country's proceeds of crime regimes. This is always done with the aim of meeting international standards. UNODC Mentors have been particularly successful in assisting countries in establishing AML legal regimes and improving AML-related law enforcement responses.

The mentors have been able to guide and assist in the process of taking cases to court. This is an invaluable resource in helping countries prosecute cases. The mentors have also prepared and presented workshops on specific issues that they identified in the course of their mentorship work.

Another important aspect of the mentors work is the development of Strategic Plans with the country authorities. These strategic Plans provide the framework for the development of asset forfeiture regimes in the countries for the next two years.

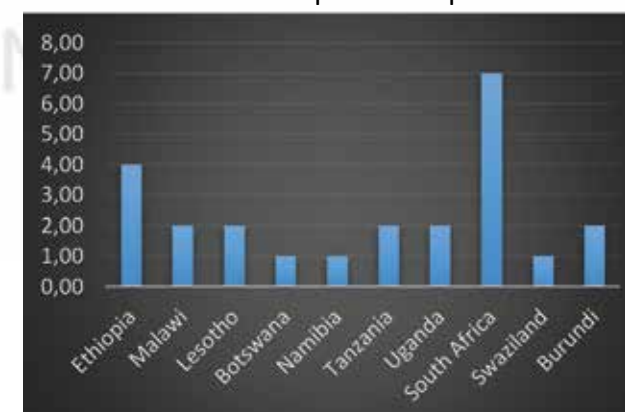
In 2016, a total of 15 long term mentor placements (minimum of four weeks per placement) were to Lesotho, Malawi, Namibia, and Swaziland, this resulted in more than 500 officials being assisted in proceeds of crime work and more cases being brought before the courts than the previous year.



6.2 PROSECUTOR PLACEMENT PROGRAMME

The Prosecutor Placement Programme (PPP) is a capacity building programme designed to give confiscation prosecutors, or practitioners with limited experience, a practical understanding of asset confiscation methodologies and practices by placing them in the office of an experienced and capable confiscation legal team.

The UNODC in partnership with the South African Asset Forfeiture Unit (AFU) hosts asset recovery lawyers from African countries three times a year. It is a four week programme, divided into two weeks of intensive training in Pretoria at the NPA's head office followed by placement in an AFU office in one of the provinces for two weeks under the supervision of a manager. In 2016, two sessions of PPP were held and a total of 24 prosecutors went through the programme.



7. INFORMATION SHARING AND DISSEMINATION

In 2016, the ARINSA website, <http://new.arinsa.org>, continued to be used as an information sharing and exchange platform.



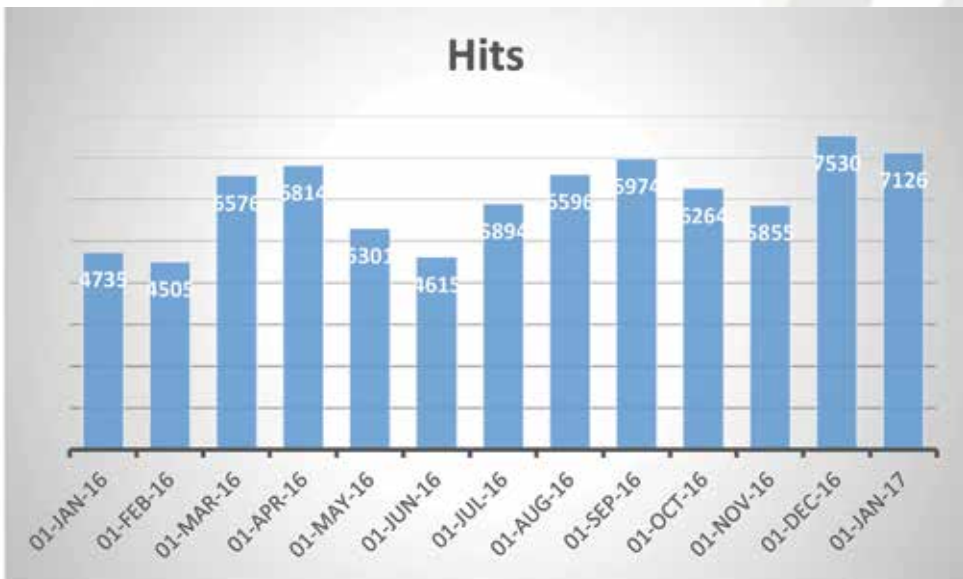
The website provides two functional areas firstly, the Members Login Area and the public area.

The public area provides news updates and has a media monitor that delivers global news on money laundering. There is a description of the ARINSA network and a calendar of upcoming events.

The member's login area provides a number of platforms for members including the Wildlife and Forestry Crime Platform, Investigator Placement Programme, Prosecutor Placement Programme, ARINSA Gallery, Country Information and Video Seminars.

New and interactive platforms were developed for the website in 2016 including a case blog, online feedback and online AML survey platform.

The web-site has been actively used since its launch on 2 July 2015. To-date the website has received over 130,300 hits and has 620 registered members of the ARINSA Community. Members are using the website to communicate and share information with each other, and thereby keeping up-to-date with modern trends in money laundering, curbing the crime and recovering the proceeds of crime.



8. DRAFTING

8.1 THE COMMONWEALTH

8.1.1 MODEL LAW FOR MONEY LAUNDERING AND PROCEEDS OF CRIME

An ARINSA representative assisted in the development of a book on new model law and guidelines on money laundering, together with the Commonwealth Secretariat, International Monetary Fund (IMF) and the United Nations Office on Drugs and Crime (UNODC).



The book entitled *“Model Legislative Provisions on Money Laundering, Terrorism Financing, Preventative Measures and Proceeds of Crime”*, was officially launched by the Commonwealth Secretary-General, Baroness Patricia Scotland, at a Transparency International day event to commemorate the International Anti-Corruption Day⁶ on 9 December 2016.

8.2 LESOTHO

In 2016 the Senate endorsed the Money Laundering and Proceeds of Crime (Amendment) Bill, 2016 without amendments⁷.

a) The object of the Bill was to effect amendments to the Money Laundering and Proceeds of Crime Act No.4 of 2008 known as the Parent Act in order to address deficiencies established by the Eastern and Southern Africa Anti-Money Laundering Group Mutual Evaluation report of Lesotho of September, 2011 so that the Legal and Institutional Framework to implement measures to fight money laundering and terrorist financing can to a large extent comply with mandatory international standards.

b) The mentor to Lesotho has been instrumental in the development and implementation of a Criminal Investigation Management Manual. This initiative is in the final stages and near completion. The purpose of this policy and management guide is to provide direction, to ensure integrity, uniformity, comprehension, and quality assurance in relation to the detection, investigation and prosecution of financial crime.

⁶<http://thecommonwealth.org/media/press-release/new-universal-global-guidelines-anti-corruption-law#sthash.FTP4H-giO.dpuf>

⁷http://www.gov.ls/gov_webportal/articles/2016/senate_endorses_money_laundering_bill.html

ANNEXURE 1: QUALITY CONTROL

Analysis of Course Evaluation Results from Training Conducted By UNODC

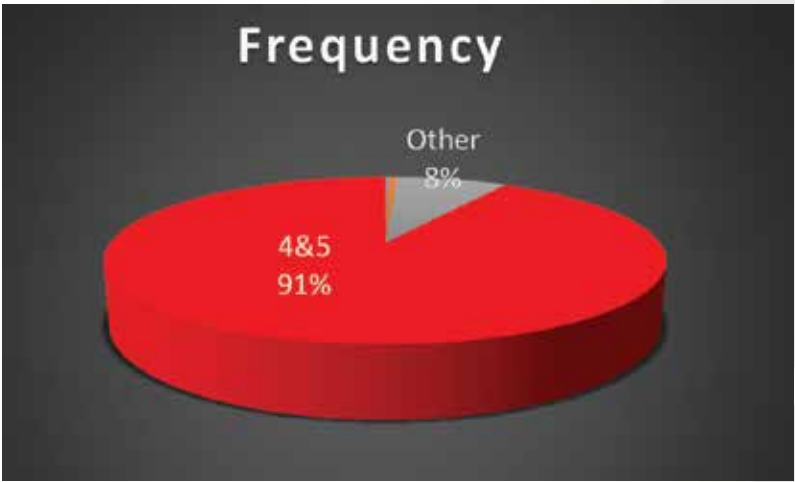
As a means of evaluating the training workshops that are offered by ARINSA, participants are issued with evaluation forms. They are requested to rate the workshop according to the following criteria on a scale from 0 - 5, with 0 being negative and 5 being extremely positive:

- a) Training objectives and schedule
- b) Content of Presentations
- c) Exercises and Participation
- d) Trainers
- e) Relevance of the Training to Your Work
- f) Training Setting and Materials

A workshop held in 2016, has been picked the evaluation results are explained below. The table shows the rating and frequency. Frequency is the number of times a rating has been selected throughout the entire evaluation.

Money Laundering and Proceeds of Crime Workshop – Victoria, Seychelles, 12 - 16 September 2016

Of the 45 prosecutors, investigators, revenue authorities and other law enforcement officers who participated at the Money Laundering and Proceeds of Crime Workshop in Seychelles, 91 percent of the participants were extremely satisfied and gave a rating of 4 and 5, across all the 6 categories, 9 percent of the participants, were satisfied and gave other ratings.

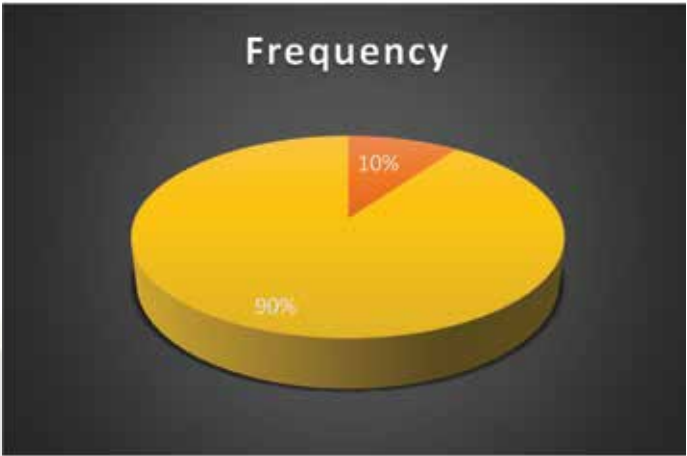


“Training was very interesting and efficient but would have been to the benefit of all FIU staff from all sections”

Rating	Frequency
Other	61
4&5	619

Sub-Regional Workshop on Taking Proceeds from Wildlife Crime Workshop – Pretoria, South Africa, 22 - 25 November 2016

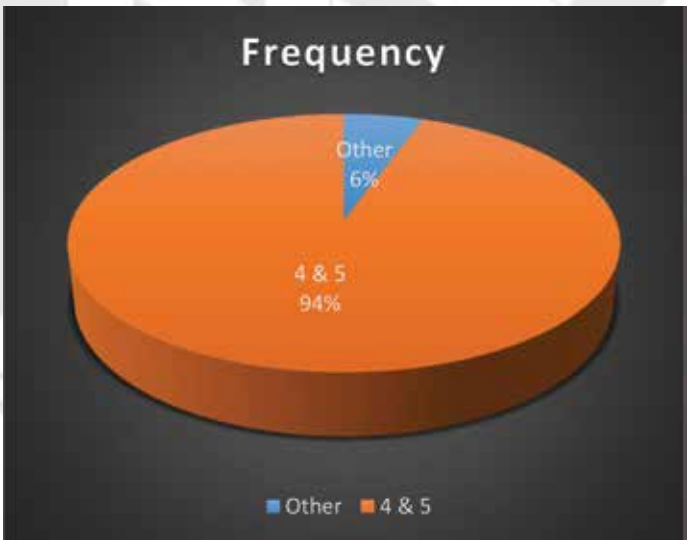
26 officials from 7 countries in Southern Africa including Botswana, Malawi, Mozambique, Namibia, Seychelles, South Africa and Zambia participated at the Sub-Regional Workshop on Taking Proceeds from Wildlife Crime in Pretoria, South Africa. 90 percent of the participants were extremely satisfied and gave a rating of 4 and 5, across all the 6 categories, 10 percent of the participants, were satisfied and gave other ratings.



Rating	Frequency
Other	39
4&5	357

National Workshop on Taking Proceeds from Crime – Harare, Zimbabwe, 28 Nov – 02 Dec 2016

33 officials from various law enforcement authorities in Zimbabwe convened in Harare for a workshop on Taking Proceeds from Crime in Harare, Zimbabwe. 94 percent of the participants were extremely satisfied and gave a rating of 4 and 5, across all the 6 categories, 6 percent of the participants, were satisfied and gave other ratings.



Rating	Frequency
Other	27
4 & 5	459

ANNEXURE 2: ARINSA PRESIDENT, MPHO LETSOALO' INAUGURAL SPEECH

Let me take this opportunity to accept the Presidency, for Botswana, for the next two (2) years and the compliments of a successful tenure from my colleagues and delegates who attended the ARINSA 2016 AGM held in Pretoria, South Africa from the 7th to the 8th June, 2016. Indeed I will be doing a dis-service if I do not extend my heartfelt thanks to the member countries of the Steering Committee who voted to have Botswana leading the inaugural appointment to such a challenging and exciting call of duty.

In my ululation I would like to recall a long short story: In November 2006 the UNODC sponsored training on Anti- Money Laundering, Fraud Methods and Detection Techniques for four (4) days held in Maputo, Mozambique for sixty (60) prosecutors from the now member countries of ARINSA including Mozambique. From Botswana five (5) prosecutors were trained including the speaker. A year later, on or about the same period, the UNODC, the Commonwealth Secretariat, ESAAMLG and the United States Treasury, OTA sponsored a Workshop for sixty (60) Prosecutors in Relation to Prosecution of Money Laundering and Proceeds of Crime cases at Bagamoyo, Tanzania from the same member states mentioned above, and once more with two (2) participants per country, me included. The training took five (5) intensive days of deliberation, practical training on drafting applications and affidavits on forfeiture and confiscation proceedings from different jurisdictions including but not limited to Australia, the United Kingdom and Hong Kong. The exercise culminated into moot courts, with applicants and respondents, from amongst the participants, appearing with drafted applications supported by affidavits and argued before mock courts presided over by Judges and legal experts from the jurisdictions mentioned. Little did I know then that this was a precursor mentorship for ascendancy to the current Presidency?

In April 2008 the South African National Prosecuting Authority (NPA), through its Asset Forfeiture Unit, then led at the helm by Advocate William Hofmeyr assisted by Advocate Dianne Willman, gave us (I was then with the DPP) senior officials of the DPP and Botswana Police Service including the now Judge Leatile Dambe of the High court, former first DPP in Botswana, an intensive training on asset forfeiture through their experience whilst I doubled as a participant cum moderator, due to my expertise in civil litigation. By then all the members of ARINSA had no asset forfeiture unit, except for South Africa, and non-conviction based forfeiture and preservation orders to follow proceeds of crime were rarely utilized if not understood. Ever since then and to date at least two (2) prosecutors are attached to the NPA, AFU per year from member states. A fully developed Prosecutor Placement Program is now in place with attachment of prosecutors with the NPA (AFU). An Investigator Placement Program is soon to be rolled out during my tenure and the able stewardship of our Secretariat.



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Fast forward to 2012 the UNODC sent a Special Advisor on Asset Forfeiture specifically as an expert and mentor to ARINSA in the person of a Barrister of note, Fitzroy Drayton. Fitz, as I like to call him, transformed ARINSA to the next level into a vibrant network replete with an adopted Mandate/ Constitution and Statement of Intent with a Key Set of Objectives: ARINSA was formed in 2009 as an informal network of prosecutors and investigators of nine (9) member states. Today as we can all see it is an informal formal network with a grown staff compliment, at the Secretariat, housed in the NPA. We now have a state of the art webpage (with all the modern trappings of the internet), we have ARINSA partners in the form CARIN, RRAG, ARIN-AE and ARIN-WA, we collaborate with Interpol and our training has extended to over 1000 judges, prosecutors and investigators. Our membership is growing with the latest members being Malawi and Seychelles. Observer countries waiting processing of their applications include Angola, Mozambique, Uganda, Kenya, Burundi and Madagascar. Our sponsors have grown to include the Department for International Development (DFID) UK and the International Narcotics Law (INL), the United States of America (Department of State). Our Mandate/Constitution, the 2015 ARINSA Annual Report, an Asset Forfeiture Glossary of terms and a Brochure have been printed into booklets befitting a network that has come of age. Of course we now have a Presidency and Steering Committee complimenting the Secretariat. Without a doubt ARINSA has grown in leaps and bounds with the current crop of Country Updates at the 2016 AGM showing the member states reporting on notable asset forfeitures in excess of \$15 million in property and cash, excluding the NPA, and five (5) more AFUs established to date. Notably the NPA AFU netted over \$40 million in proceeds since our last AGM.

The theme for the 2016 AGM was Taking Proceeds from Wildlife Crime which saw observers from TRAFFIC, Global Initiative against Transnational Organized Crime and renowned international consultants grace our event and give presentations. True to the spirit of our growth last year and this year saw Mentors (experienced financial investigators and experts) attached throughout the enforcement agencies and FIUs of the member countries identifying technical needs, training and capacity building. Per the theme, wildlife and timber crime took centre stage to reduce the depletion of rhinos, elephants, pangolin, abalone, red wood timber but to mention a few of the resources facing extinction. Focus must be emphasized on taking illegal proceeds, irrespective of source, which finance terrorism and proliferation of illegal drugs. Obviously with these positive strides one cannot over emphasize real commitment from member states to do more to take proceeds from criminals 'leaving them with nowhere to hide'.

Therefore we need more AFUs established, the fight to take proceeds from criminals must be rigorously fought and more proceeds need to be taken and realized; every member state must have a fully functional AFU in the next two (2) years. ARINSA member states should know that it is their network to sustain and reap the benefits. Management of assets frozen and seized must create net worth of property realized in monetary terms. A guide in the form of an Asset Management Manual similar to the one prepared for Namibia and Botswana by Fitz-Roy Drayton would be a start towards the charted goal. Legislative development establishing the Office of the Receiver or Asset Management Office is a desirable step to closer achieving maximum net worth of seized assets. This net worth of proceeds properly held in trust can be converted to fund our jurisdictional training, capacity building, resource capitalization, infrastructure developments and compensation to victims of crime.

Otherwise ARINSA will continue supporting and funding awareness training of the judiciary as we move forward. Member states are advised to make their requests for training of the judiciary in the field of asset forfeiture laws especially in light of non-conviction based applications. Otherwise the Mentor programs will be extended for longer periods, per member requests, from six (6) months to a year with an enforcement agency or AFU.

Colleagues I have said a mouthful and it will be befitting at this stage to extend my sincere gratitude to my principal, the Director General of the Directorate on Corruption and Economic Crime, Mrs Rose N. Seretse, for appointing me as contact person for ARINSA and being completely supportive of the activities of ARINSA. I wish to thank our donor agencies the UNODC, DFID, INL for their continued support and sponsorship of our operations. Kudzai, Yeukai, Gerrit and Patricia thanks for keeping the Secretariat alive at all times. I further wish to thank Advocate Nomvula Mokhatla, Head of the AFU, NPA, for inaugurating the presidency upon me and making our stay during the 2016 AGM a joyful and memorable one. Fitzroy thanks for bringing ARINSA full cycle into a living network. JP Willemse thanks for the energy and commitment to ARINSA. Frederic Raffray the President of CARIN for his inspiration and encouragement, thank you is in order; right on Senior Counsel. I wish to thank S. Thompson Essel, the president of ARIN-WA for gracing our AGM, giving an overview of their activities in the region and bestowing a kente scarf on me as a symbol of honour, culture and networking. My gratitude extends at its humblest to Ernest Mosate and Lesedi Seloka for giving me the opportunity to hold the presidency for Botswana: Thanks guys, we will always be a team. Lastly but not least thank you the ARINSA Community.

LEAVE THE CRIMINALS WITH NOWHERE TO HIDE!

ARINSA president.

Mpho I. M Letsoalo, DCEC Botswana,

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Annexure 3: Letter of Appreciation - SACJF

LETTER OF APPRECIATION

I wish to express my deep appreciation for the invaluable support given by the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA)'s representatives at the Southern African Chief Justices' Forum Annual Conference held recently in Windhoek, Namibia.

The theme of the Conference was *"Contemporary issues of the prevention of transitional organised crime with special reference to cybercrime, terrorism, money laundering, human trafficking and proliferation – the Judiciary's Response"*.

The presentations by ARINSA were an eye opener to the many delegates on the tremendous work done by ARINSA in combating cross border crimes through its multi-dimensional network. The preventatives shared important information, which is highly appreciated by the delegates.

The expertise exhibited by ARINSA and its associates at the Conference has made ARINSA an important partner of the Southern African Chief Justices' Forum and its constituent judiciaries in their ongoing judicial education efforts.

I commend you for the job well done and look forward to future cooperation as we continue to build capacity for our judicial officers in the area of organised crime.

Yours sincerely



Peter S. Shivute
CHIEF JUSTICE OF NAMIBIA

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