



# ARINSA ANNUAL REPORT 2022

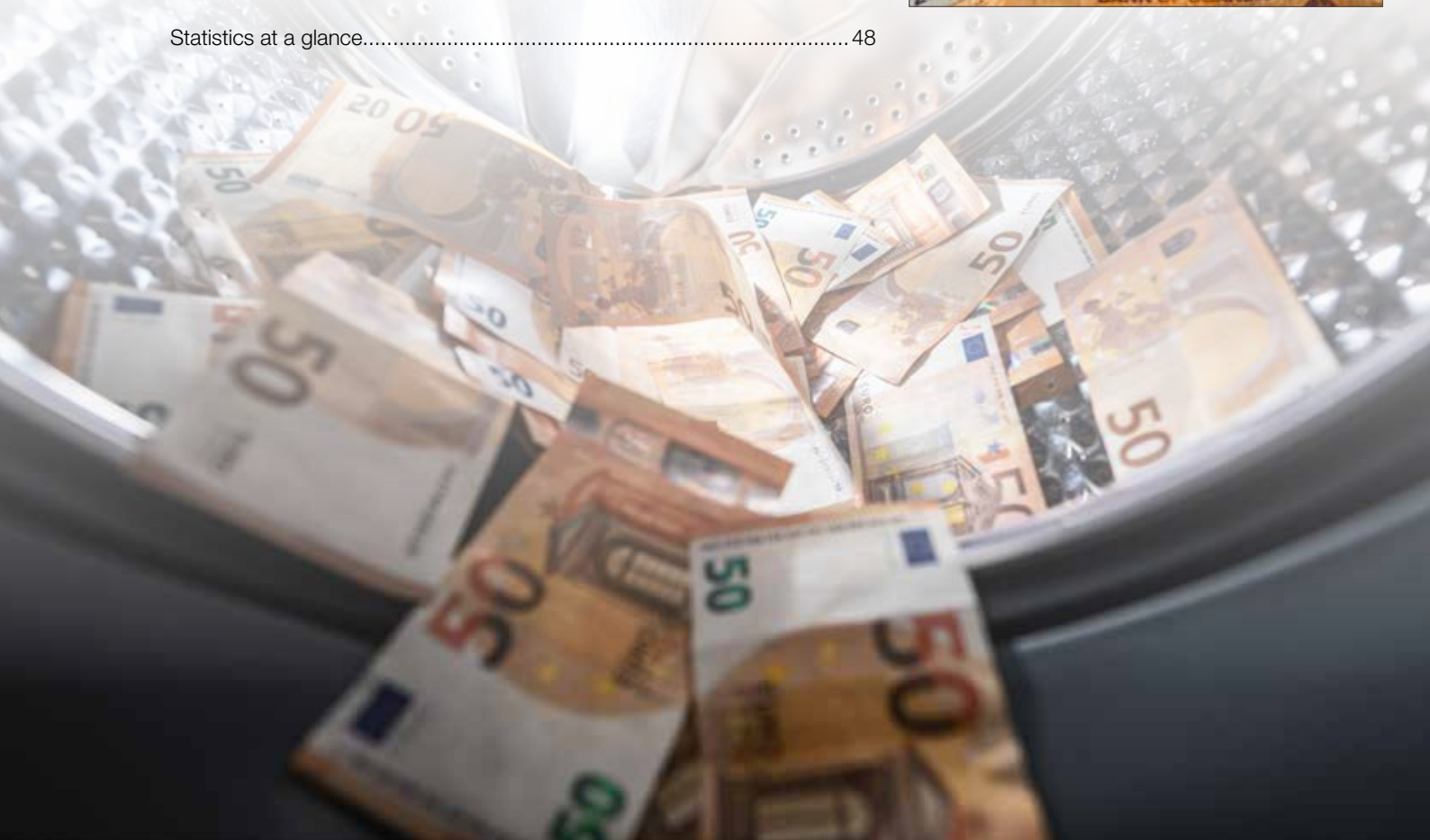






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# List of Abbreviations

<b>ACC</b>	Anti-Corruption Commission
<b>ADSU</b>	Anti-Drugs and Smuggling Unit
<b>AFU</b>	Asset Forfeiture Unit
<b>AFF</b>	Asset Forfeiture Fund
<b>AM</b>	Asset Management
<b>AML</b>	Anti-Money Laundering
<b>AMU</b>	Asset Management Unit
<b>ARIN-AP</b>	Asset Recovery Interagency Network – Asia Pacific
<b>ARIN-CARIB</b>	Caribbean Asset Recovery Inter-Agency Network
<b>ARIN-EA</b>	Asset Recovery Interagency Network – East Africa
<b>ARINSA</b>	Asset Recovery Inter-Agency Network for Southern Africa
<b>ARIN-WA</b>	Asset Recovery Inter-Agency Network – West Africa
<b>BURS</b>	Botswana Unified Revenue Services
<b>CARIN</b>	Camden Asset Recovery Inter-Agency Network
<b>CCID</b>	Central Crime Investigation Division
<b>CRADEC/TJN</b>	Centre Régional Africain pour le Développement Endogène et Communautaire / Tax Justice Network
<b>CTF</b>	Counter Terrorism Financing
<b>DCEC</b>	Directorate on Corruption and Economic Crime
<b>DCEO</b>	Directorate on Corruption and Economic Offences
<b>DEC</b>	Drug Enforcement Commission
<b>DFID</b>	Department for International Development
<b>DPP</b>	Directorate of Public Prosecutions
<b>ESAAMLG</b>	East and Southern African Anti-Money Laundering Group
<b>EU</b>	European Union
<b>FATF</b>	Financial Action Task Force
<b>FIC</b>	Financial Intelligence Centre

<b>FIU</b>	Financial Intelligence Unit
<b>GAFISUD</b>	Grupo de Accion Financiera de Sudamerica
<b>GFI</b>	Global Financial Integrity
<b>GPML</b>	Global Program Against Money Laundering, Proceeds of Crime and the Financing of Terrorism
<b>ICAC</b>	Independent Commission Against Corruption
<b>ILEA</b>	International Law Enforcement Academy
<b>INL</b>	Bureau of International Narcotics and Law Enforcement Affairs
<b>LMPS</b>	Lesotho Mounted Police Service
<b>LRA</b>	Lesotho Revenue Authority
<b>MRA</b>	Mauritian Revenue Authority
<b>NDPP</b>	National Director of Public Prosecutions
<b>NPA</b>	National Prosecuting Authority
<b>ROSAF</b>	Regional Office of Southern Africa
<b>RRAG</b>	Rede de Recuperacion de Activos de Grupo de Accion Financiera de Sudamerica (GAFISUD) ARIN in South and Central America
<b>SADC</b>	Southern African Development Community
<b>SRA</b>	Swazi Revenue Authority
<b>UBO</b>	Ultimate Beneficial Owner
<b>UNCAC</b>	United Nations Convention Against Corruption
<b>UNICRI</b>	United Nations Interregional Crime and Justice Research Institute
<b>UNODC</b>	United Nations Office on Drugs and Crime
<b>UNTOC</b>	United Nations Convention Against Transnational Organized Crime
<b>WLFC</b>	Wildlife and Forestry Crime
<b>ZPA</b>	Zambia Prosecuting Authority
<b>ZRA</b>	Zambia Revenue Authority

# Executive summary

In 2022, the United Nations Office on Drugs and Crime (UNODC), in collaboration with the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA), continued its dedicated efforts to bolster international endeavors in combating money laundering. UNODC, through ARINSA, extended critical technical assistance to Member States to enhance law enforcement capabilities, facilitate international collaboration, and develop legislation addressing asset forfeiture, confiscation, and money laundering.

The impact of these collective efforts has been profound, as criminals in the Southern African region found themselves increasingly deprived of the proceeds of their illicit activities. Seizure orders experienced an astounding surge, catapulting from USD 194,949,249.89 in 2021 to an unprecedented USD 401,898,562.53 in 2022, reflecting a remarkable 106% increase in asset seizures.

Furthermore, the discernible impact of ARINSA was evident in the surge in the number of reported cases, with an astonishing 736% increase in Anti-Money Laundering (AML) cases. The reported instances increased from 87 in 2021 to an alarming 728 in 2022, underscoring the network's efficacy in addressing financial crimes in the region through capacity building and other efforts. With 17 countries now actively participating in the ARINSA network, the tracking of proceeds of crime has become more efficient, facilitating coordinated efforts across borders.

Notably, a growing number of member countries have leveraged UNODC resources to revise, draft, or adopt legislation aimed at combating money laundering. The increasing number of AML cases brought before the courts and the overall rise in investigations signify an enhanced sensitivity to money laundering issues in the Southern African region. This report comprehensively documents the achievements, challenges, and collaborative endeavors of ARINSA and its Member States in the pursuit of a region free from the scourge of financial crimes and money laundering. These achievements were enhanced through the funding support provided by the Foreign, Commonwealth and Development Office (FCDO) of the United Kingdom, the German Government and the State Department of the United States.

## BOTSWANA'S ANTI-MONEY LAUNDERING EFFORTS

Botswana remained steadfast in its commitment to combating money laundering and terrorist financing. The country received 83 reports in 2022, including 69 instances of money laundering, 19 cases of corruption and bribery, two cases related to illicit drug trafficking, and seven cases involving terrorism and terrorist financing. Out of these cases, three money laundering cases and 16 corruption and bribery cases underwent prosecution. Despite a decrease in the value of confiscations compared to the previous year, Botswana continued its relentless efforts in addressing financial crimes.

## ESWATINI'S COMMITMENT TO ARINSA

Eswatini, a founding member of the ARINSA, reaffirmed its dedication to combating financial crimes and strengthening regional collaboration. The country received technical support and actively engaged in inter-agency cooperation and coordination workshops. Notably, Eswatini secured restraint orders and engaged in international collaboration to seize illicitly gained money and assets.

## KENYA'S ASSET RECOVERY AND ANTI-MONEY LAUNDERING MEASURES

Kenya demonstrated significant progress in asset recovery, preservation and restraint. The country recovered substantial cash and vehicles, preserved numerous vehicles, and restricted substantial sums in various banks. Pending cases for asset forfeiture held substantial cumulative values. Kenya also amended the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA) to include the Law Society of Kenya (LSK) as a reporting entity, aligning with Financial Action Task Force (FATF) recommendations and enhancing anti-money laundering and terrorism financing efforts.

## LESOTHO'S FINANCIAL FRAUD CASE

The Lesotho financial fraud case involved a fraudulent scheme resulting in a significant M57 million loss to the Government of Lesotho. Perpetrators collaborated with government officials to deceive the Central Bank of Lesotho and disbursed funds to shell companies in South Africa. Collaborative efforts with South African law enforcement



agencies led to the recovery of approximately M26 million (USD 1,780,836), with finalised Forfeiture Orders repatriating M23,610,000 (USD 1,261,275.22) to Lesotho.

## **MADAGASCAR'S ANTI-CORRUPTION EFFORTS THROUGH ARAI**

Madagascar's Agency for the Recovery of Illicit Assets (ARAI) played a vital role in the country's anti-corruption framework. Key developments within ARAI included the appointment of its CEO and the establishment of a work plan to recover illicit assets. The primary goals involved operationalising the Agency and implementing a five-year recovery strategy. During its initial six months, ARAI assessed and utilised resources necessary for its operation. The Asset Recovery Investigation Division (ARID) under ARAI received 350 cases, covering various offenses, and obtained Restraining and Restriction orders worth USD 22,256,000.

## **SEYCHELLES' NOTABLE CRYPTO CURRENCY CASE**

In Seychelles, a notable case exemplified the significance and challenges of tracing financial crimes involving cryptocurrencies. In this specific case, the authorities in the Cayman Islands sought the FCIU's assistance in the seizure of cryptocurrencies valued at over USD 8 million. To initiate this case, the FCIU relied on the investigation conducted by the Cayman Islands regarding unauthorised computer access with criminal intent. Given that this offense is also a criminal offense in Seychelles, an investigation was carried out, resulting in the submission of an interlocutory application. The Respondent agreed to the order being issued, and the FCIU is currently in possession of the cryptocurrencies. The case is pending the filing of a disposal application.

## **UGANDA'S CONVICTION-BASED ASSET RECOVERY REGIME**

Uganda operates a conviction-based Asset Recovery Regime. In 2022, the country successfully processed its first execution application against Auriel Bazil, also known as Okello David. Mr Bazil had been convicted of embezzlement involving a sum of USD 26,380.73. Over time, Mr Bazil failed to comply with the court's order for repayment, leading to the prosecution initiating proceedings for the sale

of his land valued at USD 31,037.98. Additionally, Uganda recovered USD 82,089.86 from Compensation orders, and 9,141 iron sheets, valued at USD 167,763.80, were successfully recovered and/or returned by the suspects to the Government of Uganda, highlighting the country's commitment to recovering misappropriated assets.

## **ZIMBABWE'S PROGRESS IN ASSET RECOVERY**

In Zimbabwe, substantial progress was made in the fight against crime and corruption through collaboration and cooperation among institutions involved in the asset recovery value chain. Assets worth a total value of USD 11.6 million, including houses and motor vehicles, were successfully forfeited to the State under the provisions of the Money Laundering and Proceeds of Crime Act. Furthermore, income amounting to USD 40,000.00 was generated from investments related to these forfeited assets. Currently, assets valued at USD 25 million are under preservation orders, awaiting the conclusion of forfeiture proceedings.

Zimbabwe's Prosecutor-General pursued legal action against the Civil Aviation Authority and MJ Air, representing the Republic of Zambia. The case centered around the former Zambian Minister of Foreign Affairs, who had allegedly diverted USD 5 million, initially intended for the purchase of 12 properties in Ankara, Turkey for the Zambian embassy and diplomats, to acquire two helicopters. International cooperation played a crucial role, with preservation orders granted in South Africa and Zimbabwe. One of the helicopters, a Bell 206 Jet Ranger rotorcraft with registration number 9J-GAC, was not found in South Africa but was in the custody of MJ Air in Victoria Falls, Zimbabwe, where it was being used for tourism purposes. Through ARINSA, the Zambian Asset Forfeiture Unit (AFU) engaged the Zimbabwean AFU to enforce the preservation order. On May 29, 2023, an ex parte application was filed with the High Court of Zimbabwe for the registration of the preservation order, which was granted on 5 June 2023. The registration allowed the preservation order to be enforced in Zimbabwe, akin to an interdict issued by the High Court of Zimbabwe under the Money Laundering and Proceeds of Crime Act. Subsequently, the helicopter was taken from the custody of MJ Air by the curator and repatriated to Zambia, where it was held pending the conclusion of forfeiture proceedings. This case highlighted successful international cooperation in asset forfeiture and the enforcement of preservation orders across borders.



## President's Message

**D**ear Colleagues, Partners, and Stakeholders,

It is with great pleasure and a sense of accomplishment that I present this foreword, highlighting the achievements, challenges, and the way forward for the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA). Over the years, we have made significant strides in combating transnational organised crime, corruption, and illicit financial flows, while fostering regional cooperation and strengthening asset recovery efforts across Southern Africa.

Since its inception, our network has been at the forefront of promoting collaboration among law enforcement agencies, financial intelligence units, prosecutorial bodies, and other relevant stakeholders. By sharing information, expertise, and best practices, we have successfully enhanced the capacity of our member states to identify, freeze, seize, and repatriate illicitly acquired assets.

One of the key achievements of ARINSA has been the establishment of robust legal frameworks and mechanisms to facilitate asset recovery processes. Through concerted efforts, we have supported our member states in enacting and strengthening legislation that enables the tracing, freezing, and confiscation of proceeds of crime. This has not only provided a solid legal basis for our activities but has also acted as a powerful deterrent to criminals seeking to exploit our region.

Furthermore, our network has played a pivotal role in building the technical skills and knowledge of practitioners involved in asset recovery. Through training programs, workshops, and knowledge sharing initiatives, we have empowered Law Enforcement Authorities (LEA), Legal Practitioners and all those engaged in fighting crimes with the necessary tools and expertise to effectively investigate complex financial crimes, utilise financial intelligence, and navigate the intricacies of international legal cooperation. By investing in the professional development of our personnel, we have strengthened the asset recovery ecosystem in Southern Africa.

ARINSA has also been instrumental in fostering regional and international collaboration. We have actively engaged with other regional and international organisations, such as the United Nations Office on Drugs and Crime (UNODC), the Southern African Development Community (SADC) and the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG), to facilitate information sharing, capacity building, and joint operations. These partnerships have significantly bolstered our efforts and have allowed us to tap into a vast network of expertise and resources.

Nevertheless, our journey has not been without challenges. The evolving nature of transnational organised crime and the constant adaptation of illicit financial activities pose significant hurdles to our collective goals. Criminal networks are becoming increasingly sophisticated, exploiting technological advancements and utilising complex money laundering techniques. To effectively address these challenges, we must continuously adapt, innovate, and strengthen our collaborative efforts.

In this regard, the way forward for ARINSA lies in three key areas: consolidation, innovation, and cooperation. Firstly, we must consolidate the gains we have made in establishing legal frameworks and capacity building initiatives. By ensuring the effective implementation and enforcement of asset recovery legislation, we can enhance the success rate of our operations and increase the confidence of our citizens in the justice system.

Secondly, we need to embrace innovation and leverage technological advancements in our fight against illicit financial flows. Harnessing the power of data analytics, artificial intelligence, block chain technology, and other emerging tools will enable us to detect, prevent, and investigate financial crimes more efficiently. Investing in research and development, promoting digital literacy and fostering public-private partnerships will be crucial in this regard. Lastly, cooperation remains the cornerstone.



*"Since its inception, our network has been at the forefront of promoting collaboration among law enforcement agencies, financial intelligence units, prosecutorial bodies, and other relevant stakeholders."*

Serving as the President of ARINSA has been a tremendous honor and privilege. Over the course of my tenure, I have witnessed the remarkable dedication and collaborative efforts of our member agencies, leading to considerable progress in combating illicit financial activities, recovering stolen assets, and promoting transparency and accountability within our region.

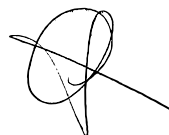
Together, we have achieved remarkable milestones in our pursuit of justice and the restoration of stolen wealth to its rightful owners. Through our effective coordination and information sharing, we have strengthened inter-agency cooperation, facilitated cross-border investigations, and enhanced the capacity of our member countries to combat financial crimes.

Our collective efforts have yielded tangible results, as we have successfully traced and recovered substantial amounts of illicitly acquired assets, depriving criminals of their ill-gotten gains and sending a clear message that there is no haven for corruption and other crimes. These recoveries have not only provided restitution to victims but have also served as a powerful deterrent, dissuading others from engaging in illicit financial activities.

Moreover, our initiatives have fostered a culture of transparency and accountability, promoting good governance and integrity within the public and private sectors. By advocating for robust legal frameworks, strengthening asset recovery mechanisms, and raising awareness about the devastating effects of corruption, we have taken significant strides towards building a more just and prosperous Southern Africa.

As we move forward, it is crucial that we sustain the momentum we have built and continue to innovate and adapt to emerging challenges. The ever-evolving nature of financial crimes necessitates our vigilance and commitment to staying one step ahead of the perpetrators. We are confident that ARINSA will flourish under the leadership of my successor, and that our member agencies will remain united in their resolve to combat corruption, financial crimes and recover stolen assets. Together, we can create a future in which our region becomes an inhospitable environment for financial criminals, and the benefits of transparent governance and accountable institutions are enjoyed by all.

In conclusion, I express my deepest appreciation to all the dedicated individuals and organisations who have contributed to the success of our network. Your unwavering commitment to the cause of asset recovery has made a lasting impact, and I am proud to have served alongside you. Let us continue our noble mission with renewed determination and unwavering resolve, knowing that our efforts are instrumental in building a brighter and more prosperous future for Southern Africa.



**Carine Charlette**

President of ARINSA (Asset Recovery Inter Agency Network of Southern Africa)

# Introduction

**T**he ARINSA network, formally known as the Asset Recovery Inter-Agency Network for Southern Africa, operates as a dynamic coalition of participating nations. Within this collaborative framework, professionals from various agencies come together informally to facilitate the exchange of crucial information. The focus extends to training, mentoring, providing model legislation, policies and country-specific laws pertaining to asset forfeiture, confiscation, and money laundering. ARINSA's significance lies in its pivotal role in supporting member countries' efforts to strip criminals of their ill-gotten gains. By doing so, it acts as a deterrent and provides a disincentive for committing such crime, contributing significantly to the fortification of governance structures and anti-corruption policies. Further, through the recovery of assets, ARINSA countries make more funds available to support development initiatives and compensate victims.

Comprising a diverse array of professionals, including investigators, prosecutors, judges, magistrates, and law enforcement personnel, ARINSA addresses the formidable challenge of reclaiming the proceeds of crime. Its member countries, numbering 17 in total, span across Southern and Eastern Africa. These member countries include Angola, Botswana, Democratic Republic of the Congo, Eswatini, Kenya, Lesotho, Madagascar, Malawi, Mauritius, Mozambique, Namibia, Seychelles, South Africa, Tanzania, Uganda, Zambia and Zimbabwe. It's worth noting that ARINSA's foundation is based on the Camden Asset Recovery Inter-Agency Network (CARIN), which is the sister network, supporting mostly European and North American countries.

ARINSA takes a comprehensive approach in addressing the proceeds of all crimes. Guided by key international conventions and standards such as the United Nations Drug Control Conventions, the United Nations Convention Against Transnational Organized Crime (UNTOC), the United Nations Convention Against Corruption (UNCAC), and the International Convention for the Suppression of the Financing of Terrorism. Additionally, the network supports the adoption and implementation of global standards set forth by the Financial Action Task Force (FATF), the major standard-setter in the realm of Anti-Money Laundering (AML).

ARINSA's mission aligns with global cooperation objectives aimed at fostering inclusive and just societies, promoting good governance, and upholding the Rule of Law. This commitment is underscored by the General Assembly Resolution of 70/1, adopted on 25 September 2015, titled "Transforming our world." Furthermore, on 20 December 2018, the UN General Assembly passed Resolution 73/222, titled "Promotion of international cooperation to combat illicit financial flows and strengthen good practices on asset return to foster sustainable development." These resolutions underscore the worldwide recognition of the threat posed to sustainable development by illicit financial flows, emphasizing the urgent need to combat this menace.

In pursuit of these goals, the United Nations Office on Drugs and Crime (UNODC) plays a pivotal role by assisting Member States in implementing target 16.4. This target urges Member States to make significant reductions in illicit financial flows and arms trafficking, enhance the recovery and return of stolen assets, and combat all forms of organised crime by 2030. UNODC's unwavering focus on addressing illicit financial flows and money laundering remains steadfast, particularly within the context of the Decade for Action under the Sustainable Development Goals (SDGs).



# The Secretariat

**T**he secretariat of ARINSA is jointly supported by the National Prosecuting Authority (NPA) of South Africa and UNODC. The NPA manages incoming and outgoing requests from the network's contact points. UNODC through its Regional Office of Southern Africa (ROSAF) and the Global Programme against Money Laundering (GPML) is responsible for the strategic and administrative aspects of the network.

The ARINSA Secretariat strives to establish itself as an advisory partner for various authorities within the region and beyond, offering insights and guidance on matters related to asset forfeiture and recovery.

Although primarily intended to facilitate international cooperation, ARINSA promotes training, mentoring and knowledge sharing in all aspects of combatting the proceeds of crime. Through targeted capacity-building initiatives addressing emerging challenges in the region, member countries are equipped with the knowledge and

skills necessary to address evolving realities.

Furthermore, ARINSA underscores the significance of cooperation with the private sector in achieving its objectives. Emphasizing a multidisciplinary approach, the network recognises the effectiveness of public-private partnerships and information exchange in mitigating risks associated with money laundering and the financing of terrorism.

ARINSA also encourages its member countries to establish national asset forfeiture units, asset management offices, and develop legal frameworks and asset forfeiture funds. These foundational elements, encompassing legal and regulatory frameworks, infrastructure, and skill sets, are crucial for successful asset forfeiture efforts. ARINSA has played a pivotal role in assisting member countries in establishing these essential components, ensuring a coordinated and effective approach to asset forfeiture.



# The Global Programme Against Money Laundering (GPML)

**G**PML is a global programme, which is implemented by a small core-team of professionals based at UNODC headquarters in Vienna, Austria, as well as a group of field-based advisors and mentors providing in-depth assistance to countries to build and strengthen their Anti-Money Laundering and Countering Financing of Terrorism (AML/CFT) and asset forfeiture capacity. Given its global reach and multi-faceted technical assistance capacities, GPML advisors and experts support ARINSA activities in various fields such as legal, financial investigations, counter-terrorism, virtual assets, counter-proliferation financing, asset forfeiture, international cooperation, anti-money laundering and financial aspects of all predicate offences. GPML sits within the Cybercrime and Anti-Money Laundering Section (CMLS) of the Organized Crime Branch (OCB) within the Division for Treaty Affairs (DTA).





# Prevalent and Emerging Predicate Crimes by Country

COUNTRY	CRIMES FROM WHICH ASSETS ARE MOSTLY FORFEITED	NEW EMERGING CRIMES
NAMIBIA	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Drug Trafficking</li> <li>Environmental Crime</li> <li>Theft</li> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Drug Trafficking</li> <li>Environmental Crime</li> <li>Theft</li> <li>Money Laundering</li> </ul>
KENYA	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Cybercrime</li> <li>Drug Trafficking</li> <li>Environmental Crime</li> <li>Human Trafficking</li> <li>Terrorism</li> <li>Violent Crime</li> <li>Theft</li> <li>Money Laundering</li> </ul>	
ZAMBIA	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Cybercrime</li> <li>Drug Trafficking</li> <li>Environmental Crime</li> <li>Human Trafficking</li> <li>Violent Crime</li> <li>Theft</li> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Cybercrime</li> <li>Environmental Crime</li> </ul>
ESWATINI	<ul style="list-style-type: none"> <li>Drug Trafficking</li> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Cybercrime</li> </ul>
ZIMBABWE	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Theft</li> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Cybercrime</li> <li>Drug Trafficking</li> <li>Environmental Crime</li> <li>Human Trafficking</li> </ul>
UGANDA	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> </ul>	<ul style="list-style-type: none"> <li>Cybercrime</li> </ul>
SEYCHELLES	<ul style="list-style-type: none"> <li>Drug Trafficking</li> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> </ul>
BOTSWANA	<ul style="list-style-type: none"> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Environmental Crime</li> </ul>
MAURITIUS	<ul style="list-style-type: none"> <li>Drug Trafficking</li> <li>Theft</li> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Cybercrime</li> <li>Drug Trafficking</li> <li>Money Laundering</li> </ul>
LESOTHO	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Theft</li> <li>Money Laundering</li> </ul>	<ul style="list-style-type: none"> <li>Human Trafficking</li> </ul>
SOUTH AFRICA	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Drug Trafficking</li> </ul>	<ul style="list-style-type: none"> <li>Other</li> </ul>
MALAWI	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Environmental Crime</li> </ul>	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Environmental Crime</li> </ul>
TANZANIA	<ul style="list-style-type: none"> <li>Corruption/Fraud</li> <li>Drug Trafficking</li> </ul>	<ul style="list-style-type: none"> <li>None</li> </ul>

The background of the page is a collage. The top half features the flag of Angola, which is red with a yellow seven-pointed star in the center, and a black band at the bottom. The bottom half shows two night-time views of a city, likely Luanda, with illuminated buildings and a waterfront. The word "Angola" is centered over the flag.

# Angola



In ARINSA, Angola is represented by the National Asset Forfeiture Unit, also known as SENRA, which operates as a division within the Office of the Prosecutor-General in Angola. Its primary mission involves the identification, location, and confiscation of assets, financial holdings, or proceeds resulting from criminal activities, both within the country and beyond its borders. SENRA also endeavors to recover these assets for reintegration into the state's resources, as stipulated in the Law on Forced Repatriation and Extended Seizure of Property.

During the period spanning from January to August 2022, SENRA, in connection with ongoing criminal proceedings, issued orders for asset seizure and the pursuit of attachments, yielding a total value of USD 1,173,861,980.04 (equivalent to one billion, one hundred seventy-three million, eight hundred sixty-one thousand, nine hundred eighty dollars, and four cents). Furthermore, SENRA facilitated the recovery of USD 310,417,421.65 (amounting to three hundred ten million, four hundred seventeen thousand, four hundred twenty-one dollars, and sixty-five cents) by actively promoting voluntary asset surrender.

## BREAKDOWN OF LOCATIONS WHERE ASSETS WERE SEIZED

During the investigative phase of the criminal proceedings, real estate valued at roughly USD 665,000,000.00 (equivalent to six hundred and sixty-five million US Dollars) was confiscated within Angola for eventual enforcement abroad, thanks to the established international cooperation.

LOCATION	NUMBER OF PROPERTIES
America	3
Asia	9
Middle East	2

In the context of its duties and obligations, the National Asset Forfeiture Unit, operating within the Office of the Prosecutor General, has taken action to facilitate and document the voluntary surrender of assets over the past six months, as outlined below, in response to expressions of interest from concerned parties in Angola:

TYPE OF ASSET	USD VALUE
Cash	USD 47 144 413,00
Equity interest	USD 130338.24
Real Estate	USD 261 075 882,77





# Botswana





**B**otswana's unwavering commitment to combat money laundering and terrorist financing is evident through its continuous efforts to identify, investigate, and confiscate the proceeds of criminal activities. Effective targeting of illicit financial transactions and ill-gotten gains serves the dual purpose of denying criminals their unlawfully acquired funds and preventing transnational organised crimes and terrorist activities.

In the year 2022, the office received a total of 83 reports, consisting of 18 predicate offense cases reported from various police stations/units and 65 intelligence reports from the Financial Intelligence Agency (FIA).

Among the 18 predicate offense cases received, two were formally registered for Money Laundering (ML) investigations, while the remaining 16 were subjected to investigative inquiries. All 65 intelligence reports were likewise treated as inquiries, resulting in a cumulative total of 81 investigative inquiries.

Out of these 81 inquiries, seven were conclusively resolved administratively through the provisions of the Proceeds and Instruments of Crime Act (PICA), leading to the forfeiture of the involved funds to the state.

**Value of Assets Seizures:** USD 180,128.00

**Value of Assets Confiscated:** USD 135,997.00

The value of confiscations has decreased when compared to the previous year's total of USD 201,660.00. This decline in confiscations is primarily linked to the limited number of properties that were subject to restraint proceedings before the courts.



## NOTABLE CASES

On 12 August 2022, a civil penalty order was issued, directing the accused to remit USD 3,000,000.00 to the government of Botswana as restitution for the embezzled funds.

In a separate case, the accused was directed by the high court to make a payment of One million nine hundred and sixty-six thousand two hundred and seventy-one pula (BWP 1,966,271.00) about USD 143,771.45 to the government through a civil penalty order.

## IDENTIFIED TRENDS

While technological advancements and globalisation bring about positive developments, they also have adverse effects on the landscape of financial crimes, as various platforms are exploited for trading and transactions. Botswana law enforcement agencies have recognised emerging crime trends related to money laundering offenses, as outlined below:

- Illegal Funds Deposits:** Perpetrators utilise social media platforms, such as Facebook, to entice individuals into forex trading and virtual asset investments. They identify unsuspecting individuals to use their accounts for receiving deposits from potential investors, many of whom they do not personally know. Other interested parties deposit money into the designated account using methods like mobile money transfers and bank transfers. Ultimately, all funds end up in the perpetrator's account, who then transfers the money to undisclosed offshore accounts, purportedly for investment purposes. Investors are left with no returns on their investments and are informed that the nature of this investment involves inherent risks.
- Money Mulling:** Ongoing investigations have revealed instances where unsuspecting individuals are unknowingly used to transfer funds.

Additionally, in the past year, the country faced several incidents involving the hijacking of Cash-in-Transit vehicles, and there were concerns about the blasting of Automated Teller Machines (ATMs).

The country continues its relentless efforts to combat money laundering and terrorist financing by apprehending, investigating, restraining, and confiscating proceeds and assets derived from financial crimes.



# Eswatini





**T**he Kingdom of Eswatini, represented by the Office of the Director of Public Prosecutions and in collaboration with dedicated officers from the Royal Eswatini Police, has consistently demonstrated its steadfast commitment to ARINSA. Eswatini proudly holds the distinction of being one of the pioneering and founding members of the ARINSA Network.

This unwavering dedication underscores Eswatini's pivotal role within ARINSA, where it actively engages in initiatives and cooperative efforts aimed at combatting financial crimes, asset recovery, and strengthening the rule of law in the Southern African region. Eswatini's enduring participation in ARINSA exemplifies its ongoing commitment to fostering regional collaboration and ensuring justice prevails.

## ASSISTANCE RECEIVED IN 2022

The ARINSA network continued to provide technical assistance to the Kingdom of Eswatini throughout the year 2022. Eswatini benefited from the following technical support initiatives offered by ARINSA:

### 1. INTER-AGENCY COOPERATION AND COORDINATION WORKSHOP

On 25 February 2022, a one-day workshop was convened to focus on the critical aspect of inter-agency cooperation and coordination. The primary objective of this workshop was to finalise a comprehensive framework. This framework had its origins in the engagement of a consultant by ARINSA, who was tasked with assisting Eswatini in developing a structured approach to promoting and facilitating inter-agency cooperation. The workshop aimed to refine the draft of this framework and covered the following key areas:

- a. The Inter-agency Coordination Framework
- b. Implementation plan and budget

### 2. LAUNCH OF THE INTER-AGENCY COORDINATION FRAMEWORK

The "Framework for Inter-Agency Coordination in Asset Recovery for Eswatini" was officially launched on 27 July 2022. This significant milestone equips Eswatini with the tools necessary to align with FATF Financial Action Task Force (FATF) recommendations concerning inter-agency cooperation. With this framework in place, Eswatini is well-positioned to enhance its capacity for effective collaboration among various agencies involved in asset recovery efforts.



*The signed inter-agency framework document handed over to the Minister of Justice and Constitutional affairs, Hon. Pholile Dlamini-Shakantu*

## NOTABLE CASES

On 19 December 2022, we successfully secured the country's first restraint order in a case involving international money laundering and tax evasion. The case centered around a British arms dealer who operated a company in the United Kingdom, Unionlet (Pty) Ltd, while simultaneously utilising local banks in Eswatini under the pretext of running a second company, also named Unionlet (Pty) Ltd, registered within the borders of Eswatini.

## INTERNATIONAL COLLABORATION

On 22 November 2022, a white Toyota bakkie was intercepted at Ngwenya border while en route to South Africa. During inspection, a concealed compartment was uncovered, revealing a stash of R830,000.00 (about USD 43, 700.00) in South African currency. It was determined that this money had been illicitly smuggled into Eswatini from Mozambique. Both the cash and the bakkie were seized and preserved.

In January 2023, a team of investigators from the Royal Eswatini Police Service embarked on a collaborative effort with their counterparts in South Africa. The South African Police, working in conjunction with the Durban Serious Commercial Crime unit in KwaZulu-Natal, provided valuable assistance in the joint investigation.

**Value of seizures:** USD 518,871.00  
**Value of confiscations:** USD 180,219.00  
**Assets allocated to Asset Forfeiture Fund:**  
 USD 282, 259.00



# Kenya





**ARINSA Membership:** Kenya attained membership status in ARINSA in June 2018.

### LEGISLATION COVERING ASSET RECOVERY, ANTI-MONEY LAUNDERING (AML), AND COUNTER FINANCING OF TERRORISM (CFT)

Kenya has a comprehensive legal framework to address asset recovery, combat money laundering, and counter the financing of terrorism. Key legislations include:

- i. Anti-Corruption and Economic Crimes Act 2003;
- ii. Ethics and Anti-Corruption Act;
- iii. Proceeds of Anti-Money Laundering Act, Act No 9 of 2009;
- iv. Prevention of Terrorism Act, Act No 30 of 2012; and
- v. Bribery Act, Act No. 47 of 2016

### BENEFITS OF BEING PART OF THE ARINSA NETWORK

Despite the challenges posed by the Covid-19 pandemic, ARINSA, in collaboration with its partners under the UNODC, has successfully conducted online training programs across various fields. These training sessions have been invaluable in supporting financial investigators, judicial officers, and legal advocates in their efforts.

ARINSA has established a collaborative platform aimed at promoting a multi-agency, whole-of-government approach. This platform facilitates cooperation among various government agencies, including the Ethics and Anti-Corruption Commission, the Asset Recovery Agency, the Kenya Revenue Authority, the Directorate of Criminal Investigation, the Financial Reporting Center, the National Intelligence and the Kenya Wildlife Services. This forum plays a crucial role in enabling these entities to exchange information and collectively gather evidence from the Southern region of Africa. Its primary objective is to combat a range of issues, including asset recovery, money laundering and crimes related to wildlife and the environment.



### RECOVERED ASSETS, PRESERVATION AND ASSET RESTRICTIONS

In the financial year 2022/2023, Kenya recovered cash amounting to USD 4,130,593.96 and nine motor vehicles. During the same period, 77 motor vehicles were preserved, while USD 63,661,003.95 was restricted in various banks across the country.

The cases pending in court for asset forfeiture are valued at USD 270,270,270.27.

### KEY POLICY AND LEGISLATIVE DEVELOPMENTS

Recently, Kenya successfully amended the Proceeds of Crime and Anti-Money Laundering Act (POCAMLA) to include the Law Society of Kenya (LSK) as a reporting entity under the Act. This enhancement strengthens the fight against Anti-Money Laundering and Counter Terrorism Financing (AML/CFT) in Kenya and aligns with the requirements of the FATF recommendations. Kenya also completed its mutual evaluation process under ESAAMLG and developed a National Action Plan based on the National Risk Assessment.



# Lesotho



Lesotho's membership in the network has spanned a significant period, leading to substantial benefits derived from its long-standing engagement with ARINSA. In the past, Lesotho received valuable support from ARINSA, including mentorship, practical guidance on case prosecution, and specialised judicial retreats aimed at enhancing the capabilities of judicial officers.

Lesotho holds a permanent seat within ARINSA and presently plays an active role in the steering committee. This enduring membership has ushered in various benefits, which include:

- a. Prosecutor Training: Lesotho's participation in the prosecutor placement program has enabled the training and development of its legal professionals.
- b. Specialized Short Courses: Approximately 25 officers from key agencies such as LEA, Directorate of Public Prosecutions, Judiciary, Financial Intelligence Unit, and the Attorney General's office recently attended the "Effective Asset Forfeiture" course, conducted virtually at the University of Cape Town and sponsored by the UNODC. This initiative has enhanced the knowledge and expertise of relevant personnel in the field.

### EXISTING ANTI-MONEY LAUNDERING AND ASSET RECOVERY LEGISLATION

- a. Money Laundering and Proceeds of Crime Act 4 of 2008, as amended (MLPCA).
- b. The PCEO (amendment act of 2020) grants the DCEO the authority to investigate money laundering offenses, as criminalised under section 25 of the MLPCA. This offense is considered serious and carries a penalty of up to 25 years of imprisonment or a fine not exceeding M25 million for individuals and M100 million for legal entities.
- c. Section 11 establishes the DCEO as one of the competent authorities responsible for investigating, prosecuting, and recovering assets related to money laundering and terrorist financing matters.
- d. The asset forfeiture provisions outlined in the MLPCA encompass two distinct categories: Conviction-Based and Non-Conviction-Based asset recovery methods.

While there have been no new legislative enactments in 2023, Lesotho took a significant step in August 2022 by adopting the Asset Forfeiture and Management Policy. This policy serves as the foundation for establishing a national Asset Forfeiture Unit, reinforcing the country's commitment to effective asset forfeiture and management practices.



### COOPERATION WITH ARINSA NETWORK MEMBERS

#### THE M50 MILLION (USD 3,422,590.00) MINISTRY OF FINANCE CASE:

This case revolved around a fraudulent financial scheme that resulted in a M57 million loss to the Government of Lesotho. The accused individuals collaborated with government officers from the Ministry of Finance to deceive the Central Bank of Lesotho by misrepresenting that they had rendered services or provided supplies to various ministries, which was not the case.

Subsequently, fraudulent instruction letters were submitted to the Central Bank, leading to the disbursement of funds to shell companies primarily registered in South Africa and maintaining bank accounts in South Africa.

A request for assistance and cooperation was extended to the Asset Forfeiture Unit NPA, in Bloemfontein. Simultaneously, the case was officially registered with the South African Police Service-Directorate on Priority Crimes Investigations (Hawks). As a result of collaborative efforts, assets valued at approximately M26 million (USD 1,780,836.00) were successfully recovered.

During the previous Annual General Meeting (AGM), it was noted that provisional orders were pending in South Africa. However, as of the latest update, two Forfeiture Orders have been finalised, resulting in the repatriation of M23,610,000 (USD 1,261,275.22) to the Government of Lesotho.

Additionally, a Forfeiture Order for property valued at M1,400,000 (USD 74,766.40) was granted in July 2023, while the auction of immovable property worth M1,600,000 (USD 85,458.62) is currently pending finalisation, with the proceeds to follow.

**M37 MILLION (USD 1,975,189.50) DISASTER MANAGEMENT  
AUTHORITY (DMA) CASE:**

This case revolved around a corruption and money laundering scheme. Investigations unveiled irregular payments made by the DMA to contractors who secured tenders through corrupt means by offering bribes to senior public officials within the DMA and the Ministry of Local Government. These illicit activities transpired following the declaration of a disaster by the then Prime Minister, prompted by heavy rains that led to severe infrastructure damage due to flooding.

An amount of M600,000 (USD 32,079.21) in bribes was recovered from two senior officials and is currently under challenge in the High Court of Lesotho. The case is presently awaiting judgment.

Presently, a request has been submitted to the AFU-NPA South Africa for the recovery of M3.8 million (USD 158,000.00), and a preservation order has been lodged in the Bloemfontein High Court.

Parallel investigations are currently in progress, and as of now, assets valued at more than M1 million have been identified but are yet to be recovered.

**M7 MILLION (USD 375,095.00) ECONET V. LEC CASE:**

In May 2023, the DCEO received a report alleging fraud, theft, corruption, and money laundering. It was alleged that Econet Telecom Lesotho (ETL) had been defrauded of over M7 million (USD 375,095). This amount was intended for payment to the Lesotho Electricity Company (LEC) through an agreement involving the sale of electricity to the public via the mobile money platform known as EcoCash.

A portion of the ill-gotten proceeds was transferred to accounts held in South Africa. Through international cooperation, a request for assistance was submitted to the AFU-NPA South Africa. Subsequently, a preservation application was filed in the Gauteng High Court, seeking to secure funds totaling M1,192,771.49 (USD 63,808.00).





## **M110,000,000 (USD 5,884,342.00) MINISTRY OF AGRICULTURE CASE:**

This case centered around allegations of corruption, procurement fraud and money laundering. Specifically, it involved a Procurement Manager within the Ministry of Agriculture and Food Security who purportedly manipulated the procurement procedures to unfairly award seven contracts to a company owned by an individual with whom the Procurement Officer is alleged to have engaged in corrupt practices.

Following the receipt of payments, the funds were subsequently transferred to a Stanlib investment account in Lesotho and later routed into various accounts in South Africa for the acquisition of properties.

To facilitate the tracing and recovery of these proceeds in South Africa, the Directorate on Corruption & Economic Offences (DCEO) initiated a request for assistance through the ARINSA platform.

## **CHALLENGES**

- a. **Capacity Constraints:** The unit presently comprises only three officers, consisting of one litigation officer and two financial investigation officers. However, the institution is actively engaged in recruitment efforts to bolster its workforce.
- b. **Asset Management Deficiency:** There is currently a deficiency in the capacity for asset management within the unit.
- c. **Absence of Specialised Court or Division:** The absence of a specialised court or division within the High Court hampers the timely resolution of cases, resulting in delays.
- d. **Complex Civil Procedure and Rules of Evidence:** Cumbersome civil procedures and rules of evidence contribute to protracted litigation, elongating the legal processes.
- e. **Swift Cross-Border Financial Transactions:** The rapid movement of money across borders poses a significant challenge, complicating efforts to track and regulate financial activities effectively.





The background of the page is a collage. The top half features the flag of Madagascar, which consists of a white vertical stripe on the left, a red upper triangle, and a green lower triangle. The bottom half shows two overlapping images of cityscapes. The left image shows a city with a prominent tall, thin tower and palm trees in the foreground. The right image shows a densely packed hillside town with many colorful buildings under a blue sky with clouds.

# Madagascar



In accordance with Law No. 2016.020 of 22 August 2016, which addresses the fight against corruption and aligns with the National Anti-Corruption Strategy 2015-2025, the Agency for the Recovery of Illicit Assets (ARAI) is a vital component of Madagascar's anti-corruption framework.

This report outlines the key developments within ARAI since its inception, notably marked by the appointment of its CEO on 3 June 2022. For the latter part of 2022, a detailed work plan has been established to delineate objectives and activities pertinent to the Agency's mandates and missions.

The primary goals set forth involve the operationalisation of the Agency. This entails identifying the requisite conditions for the successful implementation of a five-year strategy dedicated to recovering illicit assets.

During the initial six months of the Agency's establishment, the primary focus was on assessing and utilising the resources necessary to make the structure operational.

## KEY ACHIEVEMENTS

### APPOINTMENT OF THE DIRECTOR GENERAL OF THE AGENCY FOR THE RECOVERY OF ILLICIT ASSETS (ARAI)

The appointment of the Director General occurred on 11 May 2022, with the appointment of Aimé Rasoloharimanana, and it was followed by the swearing-in ceremony on 3 June 2022, which was conducted before the Supreme Court.

### SETTING UP CONSERVATION SITES FOR SEIZED PROPERTY

Considering that, on one hand, the Agency's responsibilities encompass the conservation and management of seized assets, and on the other hand, the Agency operates nationwide, it is crucial to investigate and establish multiple asset preservation sites throughout the country. Priority will be given to provinces where anti-corruption centers are located.

The initial location for the preservation of seized goods has already been identified. This location is within the premises of Camp Mounibou Ismael, First Parachute Battalion (formerly known as the 1st RFI) in Ivato. In this regard, a partnership agreement was formalised between the General Staff of the Malagasy Armed Forces (EMA) and ARAI on 30 December 2022, to facilitate the establishment of this site.

### RETRIEVAL OF ANTI-CORRUPTION COURT DECISIONS ON SEIZURE, FREEZING AND CONFISCATION

An official request for the transfer of collections or batches of decisions pertaining to freezing, seizure, and confiscation,



*New ARAI headquarters in Antananarivo*

along with any other pertinent information necessary for their execution, was formally submitted to the National Coordination Directorate for Anti-Corruption Court (DCN-PAC). Consequently, a total of 141 decisions from the anti-corruption court were received on 29 December 2022. Upon their receipt, these decisions were duly registered and subsequently forwarded to the Directorate of Centralized Management and Monitoring of Seized and Confiscated Goods (DCGSC) for further processing.

## MAIN CHALLENGES

During the initial six months of its existence, ARAI encountered various challenges that impacted its goal of achieving operational efficiency and resource provision. These challenges included:

- Delays in appointing the Director responsible for freezing, seizure and confiscation.
- Delays in securing financial resources and staff recruitment.
- The absence of an ARAI representative among the members of the Centralized Procurement Unit (CAO) during the award of public contracts.
- The absence of a Procurement and Resource Management Plan (PRMP) specific to ARAI, resulting in delays and inadequacies in certain acquisitions required for the Agency's operationalisation.
- A lack of progress in obtaining authorisation for the acquisition of rolling stock.
- Delays in delivering freezing and seizure decisions for execution.

These challenges collectively affected the speed and effectiveness of ARAI's operationalisation efforts during its initial six months.

The image is a collage featuring the flag of Mauritius at the top, which is divided into four horizontal bands of red, blue, yellow, and green. Below the flag, there are two landscape photographs. The left photograph shows a wide view of the ocean with a small island in the distance under a clear blue sky. The right photograph shows a lush green landscape with palm trees in the foreground and a prominent mountain peak in the background under a blue sky with some clouds. The word "Mauritius" is written in a large, white, sans-serif font across the center of the collage.

# Mauritius



**T**he Asset Recovery Investigation Division is established under section 5 of the Asset Recovery Act (ARA). The enforcement authority has the power to conduct parallel financial investigations, restrain and restrict assets, apply Recovery Orders and make claims for confiscation.

During the reporting period, 350 cases were referred to ARID by law enforcement agencies such as the ICAC, FIU, ADSU, Police and foreign requests. These cases cover various offenses, primarily larceny, drug dealing, money laundering, swindling, embezzlement, illegal betting, and forgery, among others.

Under the directorship of Ms Carine Charlette, Director of the Financial Intelligence Unit, ARID has achieved the following strategic outcomes:

### RESTRAINING/RESTRICTION ORDERS

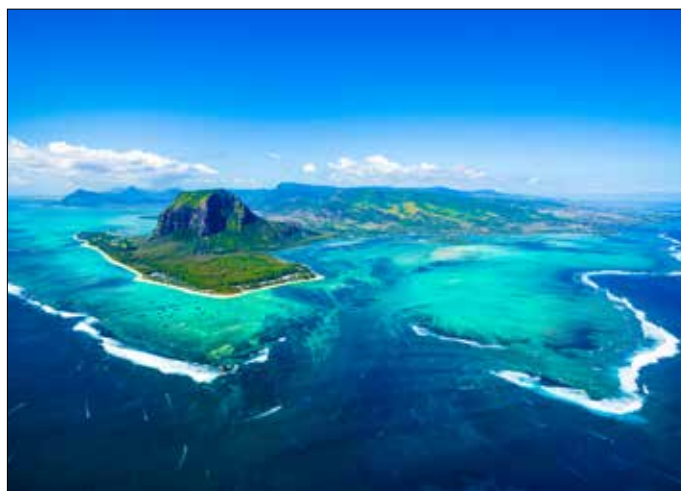
The ARID has obtained Restraining and Restriction orders pursuant to both sections 9 (Restraining) and section 27 (Restriction) of the Asset Recovery Act (ARA). The purpose of these orders is to secure custody of the assets and prevent dissipation. The ARID measures both the number and value of the restraining/restriction orders. The ARID obtained six Restraining Orders and seven Restriction Orders worth a total of USD 22,256,000.00.

### CONFISCATION AND RECOVERY ORDERS

Pursuant to Section 17 and 34 of the ARA, the Enforcement Authority has the power to apply for a Confiscation order upon the conviction of the accused and a Recovery Order, both targeting the benefits, proceeds and instrumentality of those crimes.

During the reporting period, the Enforcement Authority applied for and obtained two (2) confiscation orders with a total worth of USD 110,440.77 and Euro 495 with ADSU.

The ARID has further applications for Confiscation Orders and Recovery Orders before the Supreme Court worth USD 166,162.65. The value cannot be realised until the final determination of the proceedings.



### ARID'S INTERNATIONAL ENGAGEMENTS

ARID actively participates in various international engagements, including its role as a member of the Asset Recovery Inter-Agency Network of Southern Africa, where it currently holds the presidency.

Furthermore, ARID took part in a workshop for the launch of the EUAML-CFTESCA project. The workshop featured international dignitaries, including the President of ARINSA, the President of the Asset Recovery Inter-Agency Network of Eastern Africa (ARINEA), and the President of the Asset Recovery Inter-Agency Network of Western Africa (ARINWA). Among its objectives, the workshop discussed strategies to assist GABAC countries in developing the Asset Recovery Inter-Agency Network of Central Africa (ARINCA).

Additionally, ARID conducted an overseas mission in Zambia, where it participated in a course on Asset Recovery and Confiscation. It received recognition as the best team during this mission.

The top half of the page features a close-up, artistic rendering of the Mozambique flag. The flag is divided into three horizontal stripes of green, black, and yellow, separated by thin white lines. The fabric is shown with deep folds and ripples, giving it a three-dimensional appearance. The colors are vibrant and saturated.

# Mozambique





**M**ozambique became a member of ARINSA in 2017, solidifying its commitment to combat a wide spectrum of economic and financial crimes. At the helm of Mozambique's participation in ARINSA is the Central Asset Recovery Office, acting as the focal point for Mozambique within the network.

Mozambique's involvement in ARINSA underscores its dedication to regional cooperation and its resolve to address the multifaceted challenges posed by economic and financial crimes. Through this network, Mozambique not only fortifies its own capacity to combat such offenses but also contributes to the broader mission of fostering security and stability across Southern Africa.

### NUMBER OF MONEY LAUNDERING CASES IN 2022

There was a total of 69 instances of money laundering, 19 cases involving corruption and bribery, two cases related to illicit trafficking in narcotic drugs and psychotropic substances and seven cases concerning terrorism and terrorist financing.

Out of the cases, three money laundering cases and 16 corruption and bribery cases underwent prosecution.

### NUMBER OF SEIZURES IN 2022

A total of 39 cases were documented, leading to the confiscation of diverse assets, notably vehicles, real estate, cash and livestock.

### NEW LEGISLATION AND POLICIES IN 2022

During the period under review, the following laws were enacted:

- Law no. 01/2022, of 12 January, Organic Law of the Public Prosecutions and the Statute of Public Prosecutors, which revokes Law no. 4/2017, of 18 January;
- Decree no. 7/2022, of 11 March, that approves the Regulations for the Organization and Operation of the Central and Provincial Asset Recovery Offices;
- Regulation on the Organization and Operation of the Central Asset Recovery Office through a resolution of the Coordinating Council of the Public Prosecutions, dated 23 September 2022;

- Approval and publication of the National Money Laundering and Terrorist Financing Risk Assessment Report;
- Law no. 28/2022, of 29 December, amending Law no. 11/2009, of March 11, Foreign Exchange Law and revoking Law no. 11/2009, of March 11;
- Internal regulations of the Central Anti-Corruption Bureau, through a resolution of the Coordinating Council of the Public Prosecutions, dated 23 September 2022;
- Guidelines for preventing and combating Money Laundering, Terrorist Financing and the Financing of the Proliferation of Weapons of Mass Destruction within the Real Estate Sector, by order of the Director-General of the Financial Intelligence Unit of Mozambique, dated August 30, 2022;
- Law 11/2022, of 7 July, amending Law 14/2013, of August 12, on Preventing and Combating Money Laundering and Terrorist Financing; and
- Law 13/2022, of 8 July, which establishes the Legal Framework for the Prevention, Suppression and Combating of Terrorism and the Proliferation of Weapons of Mass Destruction which revokes Law 5/2018, of August 2.

**Value of Seizures:** USD 109 2350,72.00

**Value of Confiscations:** Five (5) vehicles were confiscated, the value of which has not been ascertained.

### MAIN CHALLENGES

Despite the recent enactment of Law 13/2020 of December 23, 2022, which established the Central Asset Recovery Office, several hurdles persist in the asset recovery process. These challenges encompass:

- a. Absence of harmonised property registration systems.
- b. Existence of unregistered properties constructed in non-zoned areas.
- c. Absence of an electronic database for vehicle registration.
- d. Complications in acquiring accurate valuations for identified movable and immovable assets, crucial for determining the congruent value of assets.



# Namibia





Namibia's longstanding involvement as a founding member of the network underscores its commitment to regional cooperation and combating financial crimes. Since joining ARINSA in 2009, Namibia has played an active role in fostering collaboration among member states to address issues related to asset recovery and anti-money laundering efforts.

Within Namibia's legal framework, the Asset Forfeiture Unit, operating under the purview of the Office of the Prosecutor General ("OPG"), assumes a pivotal role. This unit is entrusted with the mission of recovering proceeds generated from unlawful activities, utilising either the criminal or civil processes as stipulated in the Prevention of Organized Crime Act, 29 of 2004 ("POCA").

Namibia's participation in ARINSA exemplifies its dedication to promoting transparency, accountability, and the rule of law within the region, ultimately contributing to the global fight against financial crime and illicit asset accumulation.

## BENEFITS FROM ARINSA

*"The OPG would like to express their gratitude to ARINSA for the important role it has played in the fight against crime. As times are changing and crime is evolving; it is notable that crime has no borders. The Namibian Asset Recovery Unit was set up with the help of Clive Scott, the first UNODC mentor to Namibia. We are grateful for his guidance and commitment. We are especially grateful to the UNODC and ARINSA for the continued support and commitment to helping us in the fight against organized crime."*

- Adv. O.M. Imalwa, the Prosecutor-General (PG) of the Republic of Namibia

- a. The training and technical assistance programs are beneficial to capacity building both in the asset forfeiture unit and other agencies i.e. the Namibian Police, the Financial Intelligence Centre, the Judiciary etc. Through the ARINSA trainings on asset management, the Namibian Police was able to set up an Asset Management Sub-Division headed by a member of the Anti-Money Laundering and Terrorist Financing and Proliferation: Asset Recovery Division of the Namibian Police. An asset management manual has also been developed to this effect.

- b. As a result of Capacity Building workshops by ARINSA, the Asset Recovery Unit is able to work through cases to ensure that proceeds of unlawful activities and/or properties of equivalent value are forfeited to the State. Notably, four out of five prosecutors within the Asset Forfeiture Unit underwent training through the Prosecutor Placement Program.

## KEY POLICY, LEGISLATION AND JUDICIAL HIGHLIGHTS

### INTER-AGENCY COORDINATION FRAMEWORK

In February 2022, ARINSA conducted an Inter-Agency Coordination Workshop with the objective of strengthening investigations and prosecutions in Namibia. As a result, an inter-agency coordination framework was crafted. Currently, the framework is pending approval and signature by the Anti-Money Laundering Council.

### SUPREME COURT JUDGMENT ON THE INTERPRETATION OF POCA:

**The Prosecutor-General v. Gustavo (HC-MD-CIV-MOT-POCA-2020/00429) [2021] NAHCMD 163 (April 1, 2022)**

This case is connected to the well-known Fishrot case, which is currently pending in the High Court of Namibia. This matter concerns an application submitted by the Icelandic defendants, seeking permission to conduct oral examinations for the cross-examination of the Prosecutor-General and one of the witnesses whose statement supported the restraint application. Additionally, the defendants requested permission to argue, in limine, the dismissal of the interim restraint order issued in November 2020. The restraint order, as per section 25 of POCA, was designed to prohibit the defendants and any other individuals with knowledge of the order from engaging in any activities involving the realisable property of the defendants and respondents in the application.

The court emphasized that restraint orders are of an interim nature, characterised by their purpose to preserve assets for potential future confiscation proceedings. In essence, these orders do not possess a conclusive dispositive effect. Consequently, the court concluded by dismissing the Icelandic defendants' application. The dismissal was based on the determination that the dispute between the parties could be resolved through the submitted documents and that the defendants' request for a fragmented hearing lacked justifiable grounds.



*A vehicle restrained in the Fishrot case*

## NOTABLE CASES

In the case of Prosecutor-General v. Oliveira and another (SA 76 of 2019) [2021] NASC 49 (29 November 2021), the Namibian authorities received assistance from ARINSA contact points in Angola. These contact points provided an affidavit confirming that a sum of N\$4 million had been paid due to fraud and corruption involving the People's Republic of Angola.

### PROSECUTOR-GENERAL V. OLIVEIRA AND ANOTHER (SA 76 OF 2019) [2021] NASC 49 (29 NOVEMBER 2021)

The case revolved around an Angolan national who received N\$4 million from a bank account in Mauritius. The PG alleged that this money constituted the proceeds of unlawful activities, specifically corruption and money laundering offenses. Initially, during the preservation stage, the PG obtained a rule nisi based on a letter from Angola, which was considered hearsay evidence. The PG argued that Section 91 of the Prevention of Organized Crime Act

(POCA) entitled her to rely on hearsay evidence. However, the rule nisi was later discharged because it was determined that the PG was not entitled to rely on hearsay evidence in her preservation application.

Upon appeal, the Supreme Court ruled that there was nothing in Section 91 that prevented the issuance of a provisional preservation of property order. Additionally, it was noted that Section 91(3) of POCA allowed for the consideration of hearsay information as long as it did not render the proceedings unfair. In this case, the use of hearsay information did not make the proceedings unfair, especially since complete papers were required to be filed on a specified day before the return day of the rule nisi. The orders granted ex parte were provisional and subject to being set aside on the return day or through an application to anticipate the rule nisi.

As a result of the appeal, the matter was referred back to the High Court for the adjudication of the forfeiture application on its merits. Ultimately, the forfeiture order was granted on 23 February 2023.



## ASSET SEIZURES AND CONFISCATIONS LINKED TO WILDLIFE CRIMES

The prosecutor- General: case number HC0-MD-CIV-MOT-POCA-2021/00223

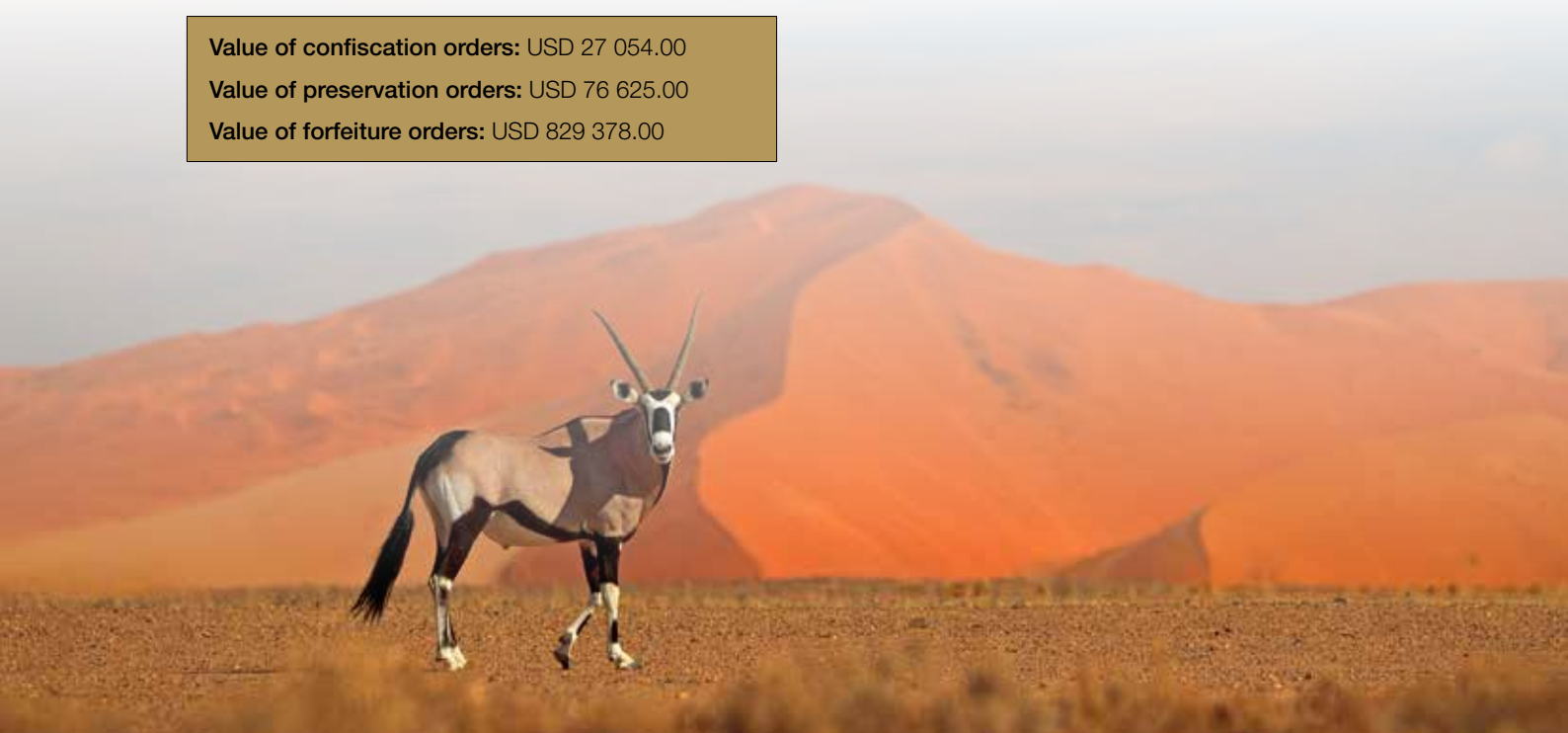
In this matter, the Prosecutor-General obtained a forfeiture of property order in respect of a vehicle on the basis that it was an instrumentality of an offence when it was used to transport a live pangolin for purposes of concluding a sale, however, the buyer was a member of Nampol who received a tip off and carried out an undercover operation which resulted in the arrest of the suspects and seizure of the vehicle which was subsequently forfeited to the State.

PROPERTY/ITEM FORFEITED	QUANTITY	VALUE (N\$)
Nissan Hardbody Pick-up 2013 model	1	160 000
Nissan Tiida 2010 model	1	65 000
Shotguns	9	72 000
Live ammunition	63	6 300
Hunting torches	8	6 400
Pangolin skins	14	700 000
Pangolin scales	705	150 000
Live pangolin	2	100 000
Elephant tusks	28	338 450
Python skins	15	225 000
Lion skins	1	50 000
Crocodile skin	1	30 000
Cheetah skin	1	50 000
Duiker skins	3	9 000
Steenbok skins	2	6 000

**Value of confiscation orders:** USD 27 054.00

**Value of preservation orders:** USD 76 625.00

**Value of forfeiture orders:** USD 829 378.00





# Seychelles



**S**eychelles is a small developing island state comprising a total of 115 islands, holds a strategic position in the Indian Ocean and became a member of ARINSA in June 2016. Seychelles is an attractive destination for offshore companies and foreign investments, drawing attention from various sectors. The country's association with ARINSA primarily involves collaborating with other member states to mitigate and reduce risks associated with these sectors. Furthermore, Seychelles actively participates in the network to facilitate the sharing and exchange of information related to ill-gotten assets.

Through strategic analysis and risk assessments, it has been identified that common criminal activities in Seychelles primarily revolve around drug-related offenses, followed closely by tax-related offenses. Notably, Seychelles is home to four of the largest cryptocurrency exchanges in the world, including Binance, Bybit, Okex, and Huobi. Consequently, the country has encountered numerous investigations pertaining to cryptocurrencies, as reflected in our latest Annual Report.

Seychelles' involvement in ARINSA underscores its commitment to addressing both traditional and emerging challenges in the realm of financial crimes, with a focus on enhancing cooperation and information sharing among ARINSA member nations.



### ASSET RECOVERY-RELATED LEGISLATION

- i. Seychelles Criminal Procedure Code CAP 54.
- ii. Proceeds of Crime (Civil Confiscation) Act of 2008, as amended (POCCCA).
- iii. Anti-Money Laundering and Countering the Financing of Terrorism Act of 2020, as amended (AMCFTA).
- iv. Custody, Management, and Disposal of Assets Act of 2021.

### BENEFITS FROM ARINSA

Due to ongoing budgetary constraints faced by ARINSA, Seychelles, unfortunately, did not have the opportunity to participate in any training sessions or workshops offered by ARINSA in the year 2022. During this period, a total of five requests were submitted, processed and successfully concluded. However, Seychelles did not receive any information through the network.

Furthermore, Seychelles has been actively engaged in sending requests to Mauritius and South Africa since 2021 but, as of now, has not received any feedback in response.

### NOTEWORTHY CASES

#### GOS V BOUE

In this case, a yacht in transit through Seychelles en route from Madagascar to the UAE underwent a search, during which a substantial quantity of gold bullions and Euros in cash were discovered on board. The decision to conduct the search was prompted by information indicating the yacht's involvement in illicit transactions. The seized items included a total of 22 pieces of 23ct gold bullions valued at USD 1.1 million, as well as foreign currencies exceeding USD 10,300.00. The Financial Crime Investigation Unit (FCIU) has been designated as the custodian of these assets, while the matter concerning the interlocutory order remains pending before the Supreme Court.



## GOS V KUCOIN

Recently, the FCIU has received numerous information requests from various counterparts. In some instances, legal actions against the exchange entities involved were pursued.

In this specific case, the authorities in the Cayman Islands sought the FCIU's assistance in the seizure of cryptocurrencies valued at over USD 8 million. To initiate this case, the FCIU relied on the investigation conducted by the Cayman Islands regarding unauthorised computer access with criminal intent. Given that this offense is also a criminal offense in Seychelles, an investigation was carried out, resulting in the submission of an interlocutory application. The Respondent agreed to the order being issued, and the FCIU is currently in possession of the cryptocurrencies. The case is pending the filing of a disposal application.

### **Total worth of assets pending disposal:**

USD 5,079,300.00

### **Total worth of assets forfeited to the state pursuant to POCCCA: USD 15,750.00**

### **Money Laundering Cash forfeitures:**

USD105,200.00

## INTERNATIONAL COOPERATION

The FCIU has maintained close collaboration with international counterparts. For instance, in the case of Huobi and others, Seychelles cooperated closely with the representative of the Australian Federal Police based in Pretoria, South Africa. This collaboration greatly facilitated the investigation into the cryptocurrency theft.

Furthermore, we have established productive partnerships with counterparts in the Cayman Islands, Singapore, and the FBI when compiling our cryptocurrency-related cases. However, for cases being pursued within our jurisdiction, regrettably, progress has been hindered due to the lack of information received from ARINSA members. Consequently, these investigations remain pending.





# Uganda



Uganda, as one of ARINSA's partners, reaped several benefits from this partnership in the year 2022, primarily through training initiatives. A significant number of prosecutors and other law enforcement officers actively participated in an e-learning, self-paced course titled "Effective Asset Recovery: from investigation to final order." This course was made accessible through ARINSA and its designated contact persons.

Furthermore, ARINSA's contact persons from Uganda have been actively engaged in various activities, including AGMs, where they had the opportunity to acquire and adopt best practices. These best practices have been successfully integrated into the recently launched Asset Recovery Guidelines, which are part of the Prosecution Led Guidelines.

## NOTEWORTHY CASES

Uganda primarily operates a conviction-based Asset Recovery Regime.

In the year 2022, a total of USD 82,089.86 was recovered from Compensation orders, benefiting both the Government of Uganda and private individuals and/or corporations.

Uganda successfully processed its first execution application under HCT-00-AC-EMA-0010-2022 against Aurien Bazil, also known as Okello David. Mr Bazil had been convicted of embezzlement involving a sum of USD 26,380.73, and

the court had issued an order for the restitution of the misappropriated funds, as per HCT-ACD-Criminal Session Case No. 132/2016.

Over time, Mr Bazil failed to comply with the court's order for repayment. Consequently, the prosecution-initiated proceedings for the sale of his land with a value of USD 31,037.98. The proceeds from the land sale were subsequently transferred to the Office of the Director of Public Prosecutions (ODPP) Asset Recovery Management Funds Account.

## RECOVERY OF DIVERTED IRON SHEETS

A total of 9,141 iron sheets, valued at USD 167,763.80, were successfully recovered and/or returned by the suspects to the Government of Uganda.

This incident involved the diversion of a total of 14,858 iron sheets, with a combined value of USD 272,687.30, by high-ranking government officials.

Uganda (DPP) Versus Daniel Kirumira Kalinda & another Criminal Session Case No. 0010 of 2020.

In this case, the Court granted an order for refund of embezzled funds to the tune of USD 212,647.40 to Diamond Trust Bank and also ruled that the state can enforce it by distress and sale of some or all of the property restrained to the recover loss as prescribed under S.112 (1) of the Trial on Indictment Act Cap.23.



*Aurien's property that was sold to recover stolen funds.*



*Some of the iron sheets that were recovered.*



## RECOVERIES OUT OF CASES FROM PLEA BARGAINS

Uganda has employed Plea bargaining as an important tool for Asset Recovery. It is an effective tool as the recoveries made from this process are always 100% of the amount of funds illicitly obtained by the convicts. In total, recoveries to the tune of USD 20,781.95 arose out of the Plea bargain Process.

## RECOVERIES FROM GENERAL CRIME CASES SUCH AS AGGRAVATED ROBBERY

Uganda has expanded its Asset Recovery Regime to encompass cases that may not necessarily be related to corruption.

For instance, in the case of Uganda v. Odongo Alex, a conviction was secured, and an order for the refund of USD 13,494.78 was obtained. This amount had been stolen from Diamond Trust Bank during an aggravated robbery. During the trial, evidence was presented demonstrating that the convicts had utilised the stolen funds to purchase vehicles. These vehicles were subsequently impounded and seized by the police during the investigation stage. The confiscated property was later auctioned, sold, and the proceeds were applied partially to satisfy the refund order.

However, due to the challenges associated with the delay in concluding the matter, the value of the vehicles had significantly depreciated.

## RECOVERIES FROM ADMINISTRATIVE DECISIONS

The ODPP Internal Policy permits recoveries to be made through Administrative Decisions, bypassing the need for court proceedings.

In the reporting period, a total of USD 51,998.07 was recovered from two cases on behalf of the government and a private entity as a result of administrative decisions.

## MEASURES AIMED AT IMPROVING ASSET RECOVERY

### ASSET RECOVERY ACCOUNTS

Uganda maintains an account known as the Deposit/Collection Account for misappropriated funds recovered from individuals, companies, and institutions. This account is overseen by the Accountant General, and it serves as the repository for funds resulting from conviction-based recoveries or voluntary refunds, all in favor of the Government.

As of 30 June 2022, a total of USD 2,271,060.79 had been collected in this account. Of this amount, USD 2,237,838.78 was subsequently transferred from this account to the consolidated fund. These funds are sourced from a diverse range of cases, including those related to corruption, embezzlement from local governments, breaches of the Leadership code, fines imposed by the Inspectorate of Government for failure to declare assets and liabilities.

This account has also played a crucial role in the recent case involving the diversion of iron sheets by high-ranking government ministers and officials. A total of USD 18,684.78 was deposited into this account as a refund for the value of iron sheets from two government officials.

### ASSET MANAGEMENT RECOVERY FUNDS ACCOUNT

An additional account, titled the "Office of the Director of Public Prosecutions - Asset Management Recovery Funds," was established primarily for the interim custody of cash recovered during investigations and from the sale of property. This account comes into play in situations where court orders for property sale are issued before cases are concluded.

As of the end of June 2023, the recoveries deposited into the ODPP Asset Recovery Management Funds Account totaled USD 101,595.416.

The top half of the page features a close-up, high-resolution image of the Zambian flag. The flag is shown in a dynamic, flowing manner, with the green upper triangle and the red, black, and orange lower triangle clearly visible. The word "Zambia" is centered over the green portion of the flag in a large, white, sans-serif font.

# Zambia





**Z**ambia became one of the founding member countries of the Asset Recovery Inter-Agency Network of Southern Africa when it joined the network in 2009.

Throughout the years, Zambia has derived significant benefits from the various programs provided by the network. These programs encompass a wide range of initiatives, including capacity building, skills transfer, and mentorship programs, among others. Such engagements have not only strengthened Zambia's commitment to asset recovery but have also contributed to the overall development and growth of the nation.

## BENEFITS FROM ARINSA

The year 2022 presented significant challenges worldwide due to the outbreak of the Covid-19 pandemic. Zambia was not immune to the effects of the pandemic, which disrupted activities across all sectors. The closure of entry points into the country and the cancellation of both inbound and outbound flights, including those from neighboring Southern African countries like South Africa, had a substantial impact on ARINSA's operations.

Despite the adversities faced throughout the year, ARINSA managed to offer several programs from which Zambia greatly benefited. These programs encompassed various areas:

- a. Capacity Building: Zambia received valuable online training facilitated by ARINSA in collaboration with UNODC. Officers from LEA and the NPA found these online training sessions highly beneficial. The online training covered the following key areas:

1. Prosecutor's Training
2. Investigator's Training
3. Inter-Agency Training

Additionally, Zambia received the second edition of the Casebook on Money Laundering and Proceeds of Crime, which was distributed to various stakeholders.

- b. Documents Drafted: ARINSA and its partners played an instrumental role in drafting various policy documents for Zambia. These included:

1. Draft AFD Strategic Plan
2. Asset Management Manual
3. Inter-Agency Framework

4. Asset Management Guidelines
5. Draft Practice Directions
6. Forfeiture of Proceeds of Crimes (Fund and Property Management) Regulations, 2023

## ANTI-MONEY LAUNDERING CASES

### TOTAL NUMBER OF CASES UNDER INVESTIGATION IN 2022

In 2022, the Anti-Money Laundering Investigations Unit (AMLIU) under the Drug Enforcement Commission conducted investigations into a total of One Thousand and Ninety-Three (1,093) cases throughout the country.

Out of these, 285 reports were received during the review period. Among these cases, 63% involved various frauds, 22% were related to theft and embezzlement, 0.4% were associated with terrorist financing, 3% pertained to bribery and corruption, 1% involved tax evasion, and 11% were connected to other types of predicate offenses. The category of "Others" encompassed cases involving misappropriation of funds, Ponzi schemes, and the possession of property suspected to be proceeds of crime.

## SEIZURES

In 2022, AMLIU seized a variety of movable and immovable properties suspected to be proceeds of crime. Among these seizures, 72 were land and buildings, 108 were motor vehicles, and there were also various household and office furniture items. The total value of the assets seized amounted to USD 79, 777, 384.00.

## ACHIEVEMENTS

1. The Center participated in the Joint Investigations Team, which resulted in the forfeiture of 42 vehicles to the State.
2. The Center was a crucial part of the Inter-Agency Team that conducted a raid and seized ZMW 3 million in cash, which was subsequently forfeited to the State.
3. The Center provided valuable assistance to Law Enforcement Agencies in identifying additional assets, particularly bank accounts.
4. There was a total of \$121,270.00 forfeited to the state as of 31 December 2022.

5. Summary of judgments under the department has been established for use as precedents.
6. A database for impact statements from various trainings has been created.
7. Cooperation with AMLIU, ZRA, and Immigration has been strengthened.
8. The Anti-Financial Crimes Directorate (AFD) successfully highlighted and showcased its achievements at the ESSAMLG Senior Members Taskforce, AFFECC, and Judges' Training, receiving a very positive response afterward.
9. Additionally, 3,610 bicycles and 31 motorbikes have been successfully forfeited.
10. Furthermore, 11 vehicles were successfully forfeited in the Immigration case.
11. Certainly, here are the corrected sentences:
12. Successfully forfeited K1,163,000.00 in the Ezra Mulemena Case.
13. Successfully forfeited a Toyota IST with registration T945 in the Freddy Matiti case.
14. Successfully forfeited a Mitsubishi Pajero with registration BAG 2914 in the Immigration case, and the court ordered that it should be given to the Isoka Police Station.
15. Successfully forfeited 30 tons of manganese mineral in the Moyo Mosten case.
16. Successfully forfeited 14 grams of gold in the Emmanuel Sinyangwe +1 case.
17. Successfully forfeited K72,000 and one unfinished plot in Kaloko Ndola in the James Kamuzu Banda case.
18. Successfully forfeited 32 logs of timber in the Frank Kabale case.

#### CHALLENGES

1. The identification of assets targeted for forfeiture must be more thorough to avoid omitting other potentially relevant assets.
2. Once assets are identified, there is a need for improvement in the process of placing restriction notices to prevent the inadvertent omission of previously identified assets.
3. Improvements are required in the monitoring of restricted assets to prevent suspects from disposing of assets subject to restriction orders.



*A helicopter seized by AMLIU in conjunction with NPA in 2022*

4. Requests for information from other agencies tend to take a significant amount of time, resulting in delays in concluding matters.
5. The absence of an inter-agency automated platform for information sharing is a notable challenge.
6. Additionally, there is a lack of or inaccurate information on beneficial ownership of assets, leading to difficulties in identifying the actual owners.

The use of cash to purchase high-value assets makes it challenging to trace assets acquired using illicit funds.

#### OBSERVED TRENDS IDENTIFIED BY THE FINANCIAL INTELLIGENCE CENTRE (FIC)

##### PREVALENT METHODS EMPLOYED TO EVADE TAX:

1. Repatriation of proceeds from mining companies in Zambia to offshore jurisdictions while declaring losses in Zambia.
2. Use of employee accounts by corporates to reduce revenue and tax liability.
3. Entities operating in Zambia without being registered for taxes.
4. Use of personal accounts for business purposes by business proprietors.
5. False accounting techniques to reduce tax obligations.

These trends highlight various tax evasion practices observed by the Financial Intelligence Centre (FIC) in Zambia, underscoring the need for enhanced regulatory measures and enforcement to combat tax evasion effectively.



## MISCLASSIFICATION/FALSE IMPORTS CASE STUDY BY FIG: PHANTOM SHIPMENTS

Foreign nationals incorporated companies in Zambia, using locals as fronts. These companies were involved in the importation of food products for sale within Zambia, purportedly sourced from Asia. According to the records at the companies' registry, their stated nature of business was the wholesale and retail of food products. However, all these companies functioned as mere shell entities with no actual business operations conducted at their registered physical business addresses.

The modus operandi of these companies involved settling supplier invoices for the importation of food products from Asia, yet there were no actual deliveries of the consignments imported into Zambia. Over a span of nine months, these companies settled supplier invoices totaling USD 7.8 million. Remarkably, there were no tangible goods received in Zambia to substantiate these remittances. The suspicion arose that the USD 7.8 million was derived from illicit activities since there were no legitimate business operations conducted by these companies.

## ASSET MANAGEMENT

The implementation of the Asset Management Guidelines has gained more traction. To address asset management effectively, the Drug Enforcement Commission (DEC) has developed a strategy for collecting rent from tenants residing in seized and forfeited assets. This approach ensures that accused individuals or convicts do not continue to benefit from the proceeds of their criminal activities.

Additionally, the Secretary to the Treasury has formed a Committee of Survey responsible for overseeing the management of forfeited assets. The Anti-Financial Crimes Directorate (AFD) has been nominated to have representation on this committee.

## INTERNATIONAL COOPERATION - ASSISTANCE TO AND FROM ARINSA COUNTRIES

In our interconnected world, the Anti-Financial Crimes Directorate (AFD) recognises that fostering and leveraging existing relationships with other countries is essential for effectiveness. In this regard, the AFD successfully collaborated with South Africa and Zimbabwe to initiate a non-conviction based forfeiture application, leading to the seizure of two helicopters suspected to be proceeds of crime. Additionally, Zambia received multiple international requests for assistance from Malawi, Mozambique, Botswana, South Africa, and Eswatini, encompassing a range of needs from intelligence sharing to connecting them with relevant key stakeholders in Zambia. The AFD effectively provided the requested assistance in these cases.





A large, close-up image of the Zimbabwean flag, featuring horizontal stripes of green, yellow, red, and black, with a white triangle at the top left containing a red star and a green triangle at the bottom right. The flag is draped and folded, creating a sense of movement.

# Zimbabwe





Zimbabwe, like most countries, is a party to various regional and international legal agreements that require member states to combat money laundering and related crimes. This involves taking necessary measures to enable their competent authorities to effectively identify, trace, freeze, seize, confiscate, and manage illicit assets. The primary legislation responsible for implementing these obligations is the Money Laundering and Proceeds of Crime Act.

Among its provisions, this act establishes a legal framework for civil-based asset forfeiture. In line with this, Zimbabwe has created the Asset Forfeiture Unit under section 27A of the National Prosecuting Authority Act. The primary responsibilities of this unit include assisting and guiding investigations, compiling case files, and ensuring that proceeds obtained from or used for criminal activities are preserved and ultimately forfeited. Additionally, the unit is authorized to make and receive requests related to achieving these objectives from other countries.

To carry out its duties effectively, the Asset Forfeiture Unit collaborates with various investigative agencies in Zimbabwe, including the Zimbabwe Anti-Corruption Commission (ZACC), Zimbabwe Revenue Authority (ZIMRA), Zimbabwe Republic Police (ZRP), and the Financial Intelligence Unit. It also works closely with asset forfeiture units from other countries.

The country has additionally established the Asset Management Unit, which serves the purpose of managing assets that have been seized and forfeited. Furthermore, a Recovered Assets Fund has been set up, into which income from investments or funds obtained through the fulfillment of forfeited orders is deposited.

## PROGRESS IN ASSET RECOVERY AND ANTI-MONEY LAUNDERING EFFORTS

During the year under review, the country achieved substantial progress in its fight against crime and corruption through collaboration and cooperation among institutions involved in the asset recovery value chain. This concerted effort has led to the disgorgement of ill-gotten gains from criminals and their associates.

Assets with a total value of USD\$11.6 million, including houses and motor vehicles, were successfully forfeited to the State under the provisions of the Money Laundering and Proceeds of Crime Act. Furthermore, income amounting to USD\$40,000.00 has been generated from investments

related to these forfeited assets. Currently, assets valued at USD\$25 million are under preservation orders, awaiting the conclusion of forfeiture proceedings.

## NOTEWORTHY LEGAL CASE SUMMARIES

### PROSECUTOR-GENERAL V. RUSSEL TATENDA MWENYE AND ANOTHER (CCZ 05/23)

In this legal case, the Respondent held the position of a pharmacy stores controller within the public entity, Parirenyatwa Group of Hospitals. The first Respondent, in his capacity, engaged in the procurement of hospital supplies at inflated prices from a company in which he held a directorial position. A portion of the funds paid to this company was diverted towards the acquisition of a residential stand and the development of a house.

Subsequently, the High Court, upon investigation, deemed the house to be "tainted property" acquired through proceeds of corruption and ordered its forfeiture. Dissatisfied with this ruling, the Respondents appealed to the Supreme Court, which upheld the decision of the High Court.

Unsatisfied with the outcome once again, the Respondents took their case to the Constitutional Court, alleging violations of their constitutional rights, including the right to property, the right to be presumed innocent until proven guilty, and the right to protection of the law.

However, the Constitutional Court dismissed their application, reasoning that the constitutional issues should have been raised either in the High Court or the Supreme Court. It concluded that the constitutional application was, in essence, a disguised appeal against the Supreme Court's decision.

### PROSECUTOR-GENERAL V. TAPUWA CHIDEMO HH 416/22

The Respondent was employed as an Accounting Officer by the Zimbabwe Revenue Authority (ZIMRA) and diverted funds amounting to US\$1.3 million. Subsequently, he acquired three upscale residential properties and a Mercedes Benz motor vehicle with a total value exceeding US\$1.2 million. Throughout the period of his employment at ZIMRA and the acquisition of these properties, the Respondent's total reported income was only US\$76,280.00.

As a result of its findings, the High Court ordered the forfeiture of these properties on the grounds that they were unlawfully acquired.

#### PROSECUTOR-GENERAL V. FRANK CHITUKUTUKU HH 449/23

The Respondent, who held the position of Chief Executive Officer at the Zimbabwe National Road Authority (ZINARA), abused his authority by handpicking three companies for road rehabilitation projects without following proper tender procedures. He pressured local council officials to sign contracts with these companies, and then authorized large sums of money from ZINARA's accounts to be paid to these selected companies.

In return for these contracts, the companies provided kickbacks to the Respondent, totaling US\$6 million. He used this illicitly gained money to acquire assets, including two upscale residential properties, a 40% share in an insurance company, three motor vehicles, and five tractors.

Upon investigation, the High Court ruled that these assets were unlawfully acquired and ordered their forfeiture as they constituted "tainted property".

#### PROSECUTOR-GENERAL V. CASMJEE BILAL & OTHERS (HACC 11/22)

In this case, three Iveco 440 horse trucks and their respective trailers, belonging to the former first lady Grace Mugabe and valued at USD\$500,000.00, were imported into the country without the payment of duty. The supplier misled the ZIMRA by falsely claiming that these vehicles were intended for temporary use, resulting in the issuance of temporary import permits.

Subsequently, the drivers of these vehicles were arrested but later failed to appear in court after being granted bail. Following an investigation, the High Court ordered the forfeiture of the vehicles on the grounds that they were acquired using proceeds of crime.





## INTERNATIONAL COOPERATION IN ASSET FORFEITURE

### PROSECUTOR-GENERAL OF ZIMBABWE V. CIVIL AVIATION AUTHORITY AND MJ AIR (HACC 16/23)

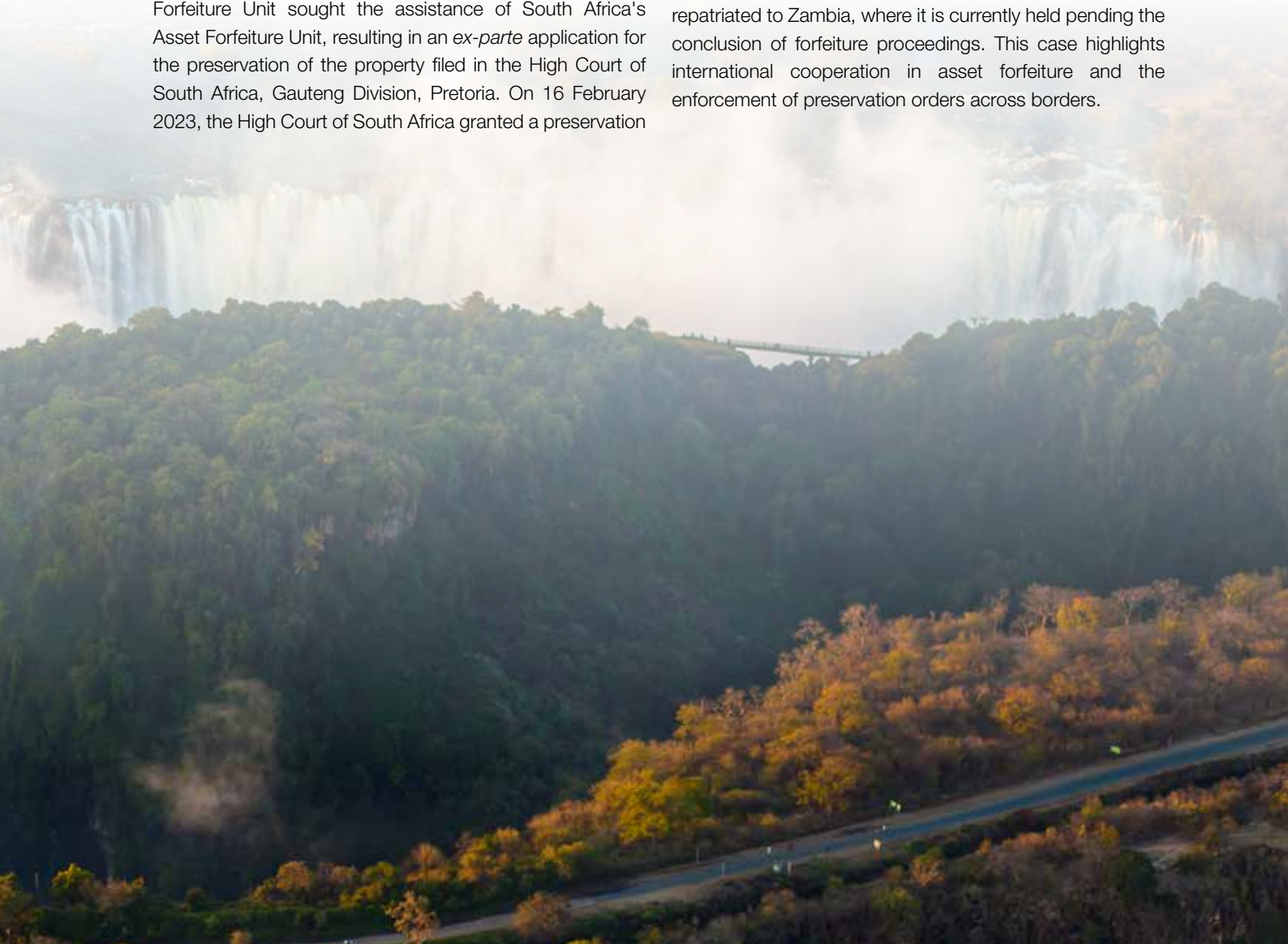
In this case, the Prosecutor-General of Zimbabwe, representing the Republic of Zambia, pursued legal action against the Civil Aviation Authority and MJ Air. The case centered around the former Zambian Minister of Foreign Affairs, who had allegedly diverted USD\$5 million, initially intended for the purchase of 12 properties in Ankara, Turkey for the Zambian embassy and diplomats. Instead, these funds were used to acquire two helicopters.

Upon learning of an investigation for violating Zambian anti-corruption and forfeiture laws, the former minister had the helicopters flown to Rand Airport in Germiston, South Africa, evading Zambian authorities. The Zambian Asset Forfeiture Unit sought the assistance of South Africa's Asset Forfeiture Unit, resulting in an *ex-parte* application for the preservation of the property filed in the High Court of South Africa, Gauteng Division, Pretoria. On 16 February 2023, the High Court of South Africa granted a preservation

order, effectively placing the helicopters under the control of a curator to ensure their preservation and prohibiting any dealings with them.

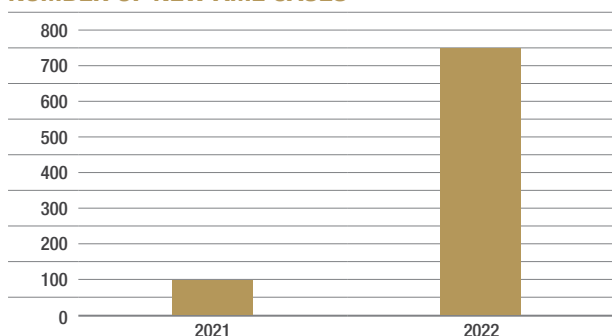
One of the helicopters, a Bell 206 Jet Ranger rotorcraft with registration number 9J-GAC, was not found in South Africa but was located in the custody of MJ Air in Victoria Falls, Zimbabwe, where it was being used for tourism purposes. The Zambian Asset Forfeiture Unit engaged the Zimbabwean Asset Forfeiture Unit to enforce the preservation order. On 29 May 2023, an *ex-parte* application was filed with the High Court of Zimbabwe for the registration of the preservation order, which was granted on 5 June 2023.

The registration allowed the preservation order to be enforced in Zimbabwe, akin to an interdict issued by the High Court of Zimbabwe under the Money Laundering and Proceeds of Crime Act. Subsequently, the helicopter was taken from the custody of MJ Air by the curator and repatriated to Zambia, where it is currently held pending the conclusion of forfeiture proceedings. This case highlights international cooperation in asset forfeiture and the enforcement of preservation orders across borders.



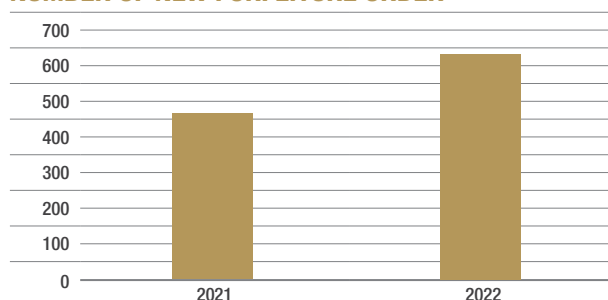
# Statistics at a glance

## NUMBER OF NEW AML CASES



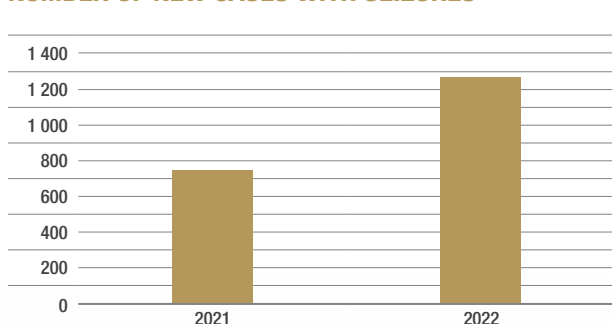
Over the reported period, there has been a remarkable 761% increase in the number of cases, surging from 87 in 2021 to an alarming 750 in 2022 instances.

## NUMBER OF NEW FORFEITURE ORDER



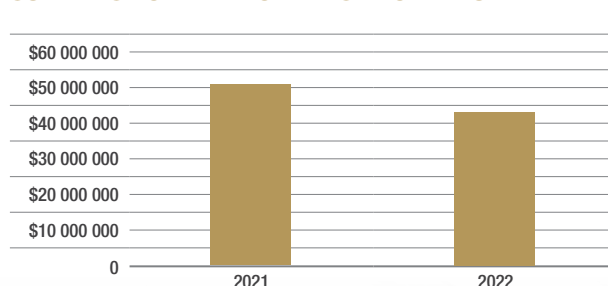
The graph above presents a noteworthy increase in the number of new forfeiture orders over the course of a year, spanning from 2021 to 2022. During this period, the count surged from 461 to 636, signifying a substantial 38% rise.

## NUMBER OF NEW CASES WITH SEIZURES



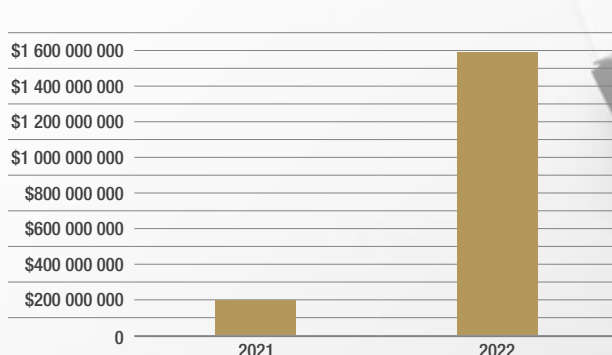
The graph above illustrates a substantial increase in new cases with seizures, based on data from the reports from contact points. During the reporting period, the number of cases surged from 735 in 2021 to 1,277 in 2022, representing a significant 74% increase.

## USD VALUE OF NEW FORFEITURE ORDERS



The graph above illustrates a significant decrease in the total dollar value of new forfeiture orders over the course of a year, comparing 2021 to 2022. During this period, the total value declined from **USD 52,261,483.30** to **USD 43,533,266.50**, marking a notable 16.7% reduction.

## USD VALUE OF NEW SEIZURE ORDER



The graph above illustrates a significant escalation in the dollar value of new seizure orders. The total value surged from **USD 194,949,249.89** in 2021 to a substantial **USD 1,575,760,542.57** in 2022. This remarkable 708% increase in seizure orders underscores the heightened efforts to combat financial crime in the region.







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