



ONDCP ANNUAL REPORT



2012



Taking the Profit out of Crime





GOVERNMENT OF ANTIGUA AND BARBUDA

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31 March 2013

Hon. Dr. Winston Baldwin Spencer
Prime Minister of Antigua and Barbuda
Office of the Prime Minister
Queen Elizabeth Highway
St John's.

Dear Prime Minister,

ONDCP ANNUAL REPORT 2012

I am pleased to present the 2012 Annual Report in accordance with Section 4(3) of the ONDCP Act. The report details the various efforts and successes of the Agency in its attempts to battle organized crime in its various forms. It further demonstrates the commitment and dedication of the small cadre of distinguished men and women who comprise the ONDCP.

Yours truly,

.....
Edward Croft, O.B.E, CAMS
Lt Col
Director

Director's Message

I am pleased to present this annual report highlighting the law enforcement accomplishments and challenges during the reporting year of 2012.

As Director of the ONDCP for several years I have focused on addressing two primary goals. The first concentrated on enhancing the capacity of the organization through the development of the technical capability by ensuring that members and officers receive the requisite training to ensure that they possess the necessary skills; and the second on strengthening the intelligence capacity and the information sharing platform in order that the concept of an intelligence led organization can be fully implemented taking into consideration the limited human resources.

During the period of reporting, the agency recorded its first successful standalone money laundering conviction, obtained by establishing the act of money laundering in the absence of charges for the predicate offence from which the laundered criminal proceeds were derived. This was soon followed by two additional similar convictions. These successes demonstrate the agency's improved capability to conduct effective financial investigations. Investigations into two organized crime groups have also resulted in several money laundering charges being brought. Operations and investigations have resulted in the agency being instrumental in approximately EC \$ 1.9 million being deposited into the Treasury for the year 2012.

The counterdrug efforts remain consistent but increasingly challenging as the criminals are learning from our successes against them and altering or innovating their techniques to evade detection. Our successes however have continued, and have resulted in almost every known major drug trafficker being charged, convicted or awaiting trial. Their activities have been either intercepted and or disrupted and we continue to remain vigilant as to the development of other persons who participate in illegal activities. I can report that over the past 6 years starting in 2007 the ONDCP has arrested 118 persons for drug trafficking offences, 43 of which have been convicted and sentenced, 68 are still awaiting trial, of which 27 are on bail, and the others released.

As a direct result of training received by the officers and members, the agency's productive output has improved. Capacity has been strengthened through partnerships, mentoring and training opportunities nationally, regionally and internationally. The agency is in need of additional persons if it is to be better able to fulfill its national and international obligations. In addition the agency's operational capacity is restricted since the vehicles allocated to it are inadequate and insufficient. I am pleased to report that the legal department has recently received a second legal counsel which will significantly improve the capacity of the legal department to better cope with the increased demands brought about by the increased successes of the operational units.

The Financial Compliance Unit (FCU) was established to supervise all financial institutions to evaluate the effectiveness of their AML/CFT programs, however, it regrettably suffered the loss of two trained examiners to higher paying jobs. The loss severely handicapped the capacity of the Supervisory Authority to conduct AML/CFT supervision. Their replacement and the expansion of the FCU is a priority for the year 2013. Additional amendments to the Money Laundering Prevention Act (MLPA) are required in order to bring clarity to the authority of the Supervisory Authority to conduct onsite examinations of financial institutions.

To strengthen the agency's analytical capacity, efforts are also being undertaken to ensure that information is adequately stored and is more readily available in a structured manner. This effort is expected to be partially completed in the upcoming year and should result in an improved information sharing environment.

The agency will celebrate its 17th Anniversary next year and it can be expected that the agency will continue to exert every effort to fulfill its mandate and pursue its duties, working in partnership with national, regional and international law enforcement counterparts and competent authorities, to ensure the safety and security of the citizens, residents of and visitors to Antigua and Barbuda.

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2012 Highlights

The Office of National Drug and Money Laundering Control Policy (ONDCP) holds a solidified approach in support to national, regional and international law enforcement agencies as it engages in a continued battle against organized crime.

During the past year the ONDCP continued to pursue its mandate and duties, through improved operations vested in three strategic pillars built upon (1) counter narcotics operations, (2) financial intelligence and financial investigations, and (3) AML/CFT compliance supervision under the Supervisory Authority.

Highlighted below are the various efforts of the dedicated men and women of the Agency.

The structured cooperative efforts of the counter narcotics operation teams have led to the successful seizure of drugs valued at over \$5.7 million dollars, with the arrest of 12 persons and the seizure of related assets and forfeitures being made to the State.

In 2012 the Financial Intelligence Unit (FIU) received over 140 Suspicious Activity Reports of which 13 were disseminated for investigations. Over 530 personnel employed by Financial Institutions and Governmental agencies received training on the Anti-Money Laundering & Combatting the Financing of Terrorism (AML/CFT) laws, regulations and guidelines. These efforts show increased output and demonstrate the progress being made by the FIU.

Notably in July of 2012 Antigua and Barbuda recorded its first stand-alone money laundering conviction which resulted in the forfeiture of US\$ 60,406.00 which was deposited into the Treasury. This success was a landmark conviction and was followed by two more successful money laundering convictions on charges brought under the Money Laundering (Prevention) Act. This should see the forfeiture of approx. US \$20,000.00 and € 19,430.00. Currently the Financial Investigations Department continues to work feverishly as there are currently over 17 Money Laundering cases before the courts. Year to date forfeitures amount to over EC \$22, 450.00.

In 2012 the Agency supported by the Legal Department successfully forfeited vehicles and properties resulting from civil and criminal matters. Over US \$160,000.00 and EC \$57,000.00 have been seized during the course of investigations. It is anticipated that in early 2013 amendments to the MPLA will expand the capabilities of the Agency particularly with respect to expanding the classification of money laundering offences.

In late 2011 the Financial Compliance Unit (FCU) was established to conduct on-site and offsite examinations of financial institutions to evaluate their money laundering and terrorist financing prevention programs and to offer remedial feedback and assistance. To date the FCU has had a 100 % compliance rate on terrorist property reports from the Domestic Banks and a 75% compliance rate on AML/CFT Audit Reports. Notably the FCU has conducted 8 onsite examinations on AML/CFT Compliance. In 2013 it is expected that additional staff will provide for more effective AML/CFT supervision of banks and financial institutions together with significant amendments to the MLPA expanding the supervisory powers of the Supervisory Authority as recommended by the FATF and CFATF in accordance with international best practices

The noteworthy contributions of the ONDCP throughout the year, were however, not made without significant extra effort that strained the limited human and fiscal resources and working with less than adequate equipment. These restraints have partially limited the organization's capacity to fulfill its duties, and has restricted the efficiencies that could have left an indelible mark in organized criminal gangs associated with drug trafficking, money laundering.

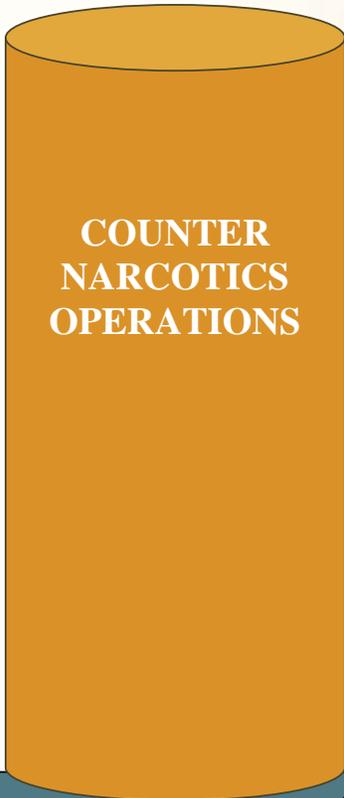
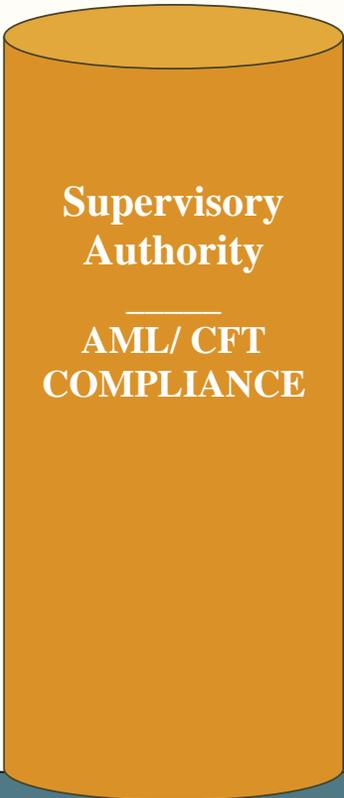
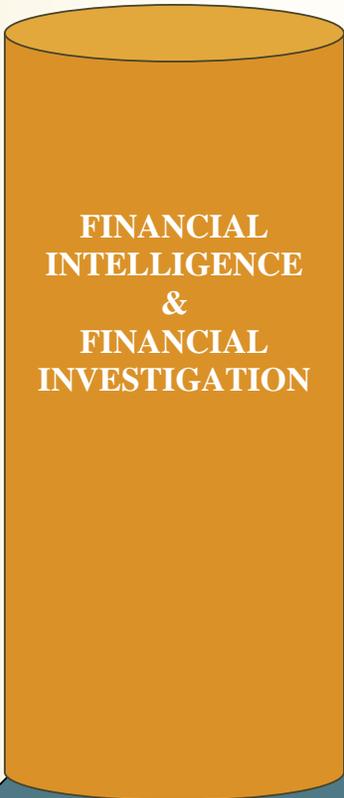
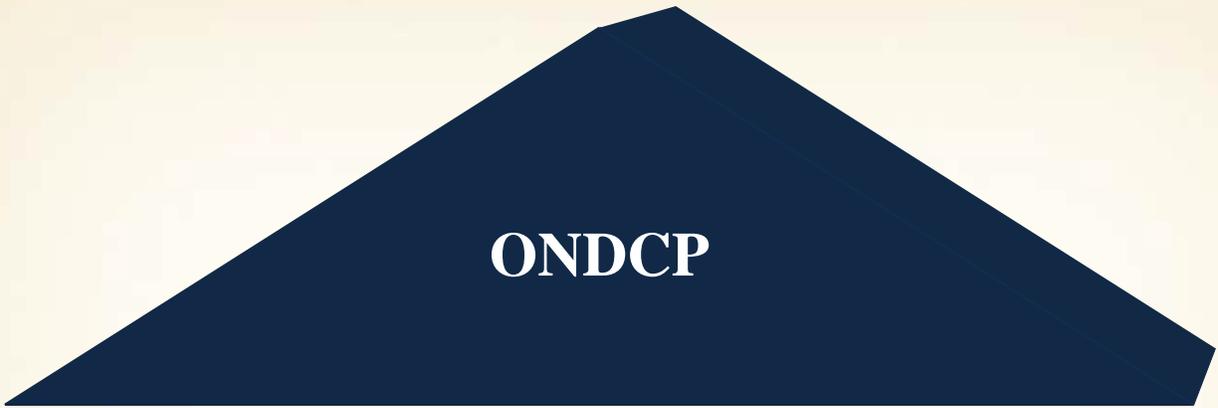
Mission

To eradicate transnational drug trafficking, money laundering and the financing of terrorism

Vision

To become the Caribbean's lead law enforcement agency combating illegal narcotic, money laundering and terrorism financing





Administration

The Administration Department has continued to be at the forefront in providing the necessary support to ensure that all departments obtain the necessary supplies required to be effective, and members of this department have done yeoman service in ensuring that goods and services were provided and salaries were prepared in a timely manner.

The agency is looking forward to the acquisition of improved IT software to allow for better data capture and improved analysis while planned renovations to its present building will allow for improved accommodation and an enhanced working environment for the staff. The agency continues to be handicapped with limited human resources, inappropriate equipment, inadequate and insufficient vehicles, required legislative amendments and a lack of adequate uniforms and protective clothing.

Training

In 2012, over 70% of ONDCP's personnel received training nationally, regionally and internationally, through partnerships and in co-operation with various agencies. It should also be noted that one of the managers completed training at the FBI Academy, one of only two persons from the Caribbean in this intake.

The ONDCP is also pleased to congratulate the Director, on becoming the 1st law enforcement officer selected from the Caribbean, to attend the FBI's National Executive Institute. Throughout the year other officers also attended leadership and management training at the International Law Enforcement Academy, while others attended specific skilled training in various fields.

As the ONDCP continues to grow, it will continue to seek training opportunities despite the fiscal restraints. As the human resources of the agency become more specialized in their designated fields, it is envisaged that operational efficiency and competencies will be enhanced.

Transport, Equipment & Building

In 2012, the organization made plans for additional office space. It is envisaged that by late 2013 two additional offices will be added to the building housing ONDCP Headquarters, which will offer an improved secure environment for the appropriate departments.

During the year it became noticeable that more of the agency's assigned operational vehicles became inoperable. The organization has requested several replacement vehicles to assist in the transformational requirement of the various units. A number of operational vehicles are over 10 years old and unreliable.

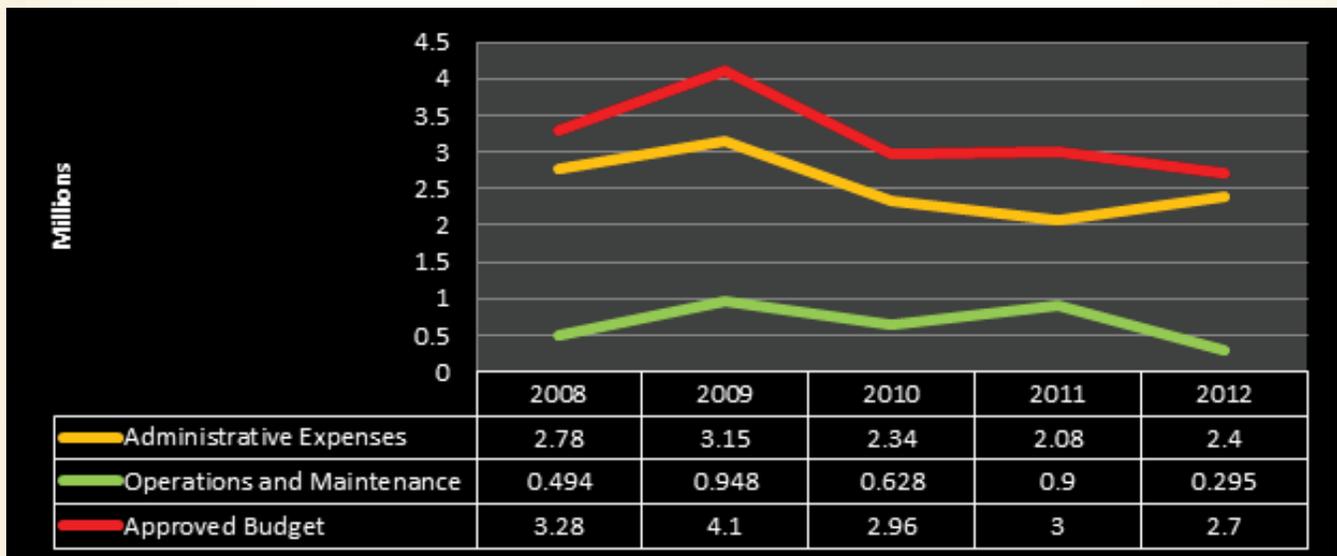
The organization remained somewhat handicapped based on necessary IT support and needed equipment. The agency is pleased however with the support received from the Antigua and Barbuda Transport Board on occasions and additional assistance received from the Ministry of Public Works.

Fiscal Responsibility

In 2012 the ONDCP faced one of the most fiscally challenging years ever for the agency. Resources for operational requirements and operational efficiencies have been restricted and critical aspects of certain administrative functions have not been implemented due in part to the 10 % decrease from the previous year and continued limited access to allocated funds from the Treasury.

Highlighted in the graph below is the 2008- 2012 Recurrent Estimates.

Chart 1





**OUR
RESULTS**

Financial Intelligence

The Financial Intelligence Unit (FIU) is a specialized government unit created to act as an interface between the financial sector and law enforcement agencies for collecting, analyzing and disseminating information, particularly about suspicious financial transactions. As prescribed by the ONDCP Act of 2003, the FIU is the central financial intelligence agency for Antigua and Barbuda. The FIU provides:

- Added value to criminal investigations by providing intelligence on the “money trail” which is information not readily available.
- Assistance with mutual legal assistance requests
- AML/CFT training to financial institutions

Training of the reporting sectors as stipulated by Section 10 (g) of the ONDCP Act, is imperative since the personal responsibility imposed on financial institutions mandates a high degree of awareness of money laundering and terrorist financing issues. As a result the FIU continues to dedicate much of its resources to this endeavour. The FIU continues to build a solid foundation for the sustainable growth of the financial services sector, as the ONDCP seeks to fulfil the country’s international commitments and to implement the national Anti-Money Laundering and Counter Terrorist Financing (“AML/CFT”) laws.

The Financial Intelligence Unit (FIU) continues to carry out its duties as provided under the MLPA, PTA, ONDCP Act and other relevant law.

Training for Financial Institutions

As many Financial Institutions have received training over the years, the FIU intends to incorporate and provide information on trends and typologies gathered from information across sectors and territories. This year saw a reduction in the number of institutions making requests to have training conducted; however, there was a significant increase in the number of individuals trained due to the number of participants from the Commercial Banks.

In addition to the training provided to nationals, the FIU also made presentations to regional entities on behalf of the ONDCP. Presentations were made at the 6th Annual General Meeting and Conference hosted by the Caribbean Association of Audit Committee Members Inc. in St. Lucia, the 39th Annual General Meeting of the Caribbean Association of Bankers Inc. in Jamaica, and the Financial Services Regulatory Commission’s workshop for Money Services Businesses.

Training will continue in 2013, and requests are already being received. Significant emphasis will be placed on the Money Services Business, as these businesses tend to be more vulnerable and targeted for abuse with the increasingly effective implementation by commercial bank of their AML/CFT policies and procedures. The training is expected to focus on customer service and customer interaction, as this is key to obtaining important customer information, especially since the majority of their business is based on ‘one off’ transactions.

Table 1

Training of Financial Institutions 2010 - 2012							
Financial Businesses		2010		2011		2012 (as at Sept. 30 th)	
Financial Institutions	No. in Sector	No. Trained	No. Persons	No. Trained	No. Persons	No. Trained	No. Persons
Commercial Banks	8	3	129	8	104	4	382
Development Banks	2	2	4	1	2	1	27
Mortgage Companies	1	1	2	0	0		
Credit Institutions	1	1	5	0	0	1	1
Offshore Banks	15	0	0	15	62	0	0
Money Transmission Services	14	5	8	2	3		
Money Lending & Pawn	3	1	3	3	4	2	10
Credit Unions	7	0	0	7	114	0	0
Trust Business (Local)	2	0	0	0	0	0	0
Trust Business (Offshore)	2	0	0	0	0	0	0
Internet Gambling	6	0	0	0	0	0	0
Sports Betting	4	25	0	0	0	0	0
Real Estate Companies (Agents)	26	16	35	1	2	1	1
Domestic Insurance	18	16	34	15	31	4	51
Dealers in Precious Metal /Art / Jewelry	21	20	28	0	0	1	19
Travel Agents	11	9	13	0	0	0	0
Car Dealerships	6	6	6	0		0	0
Financial Services Regulatory Comm.	1	0	0	1	12	0	0
Institute of Chartered Accountants				1	20	0	0
Banco Transatlantico Ltd (Dominica)				1	1	0	0
Government / Statutory Institution						3	48
TOTAL		80	268	55	365	17	539

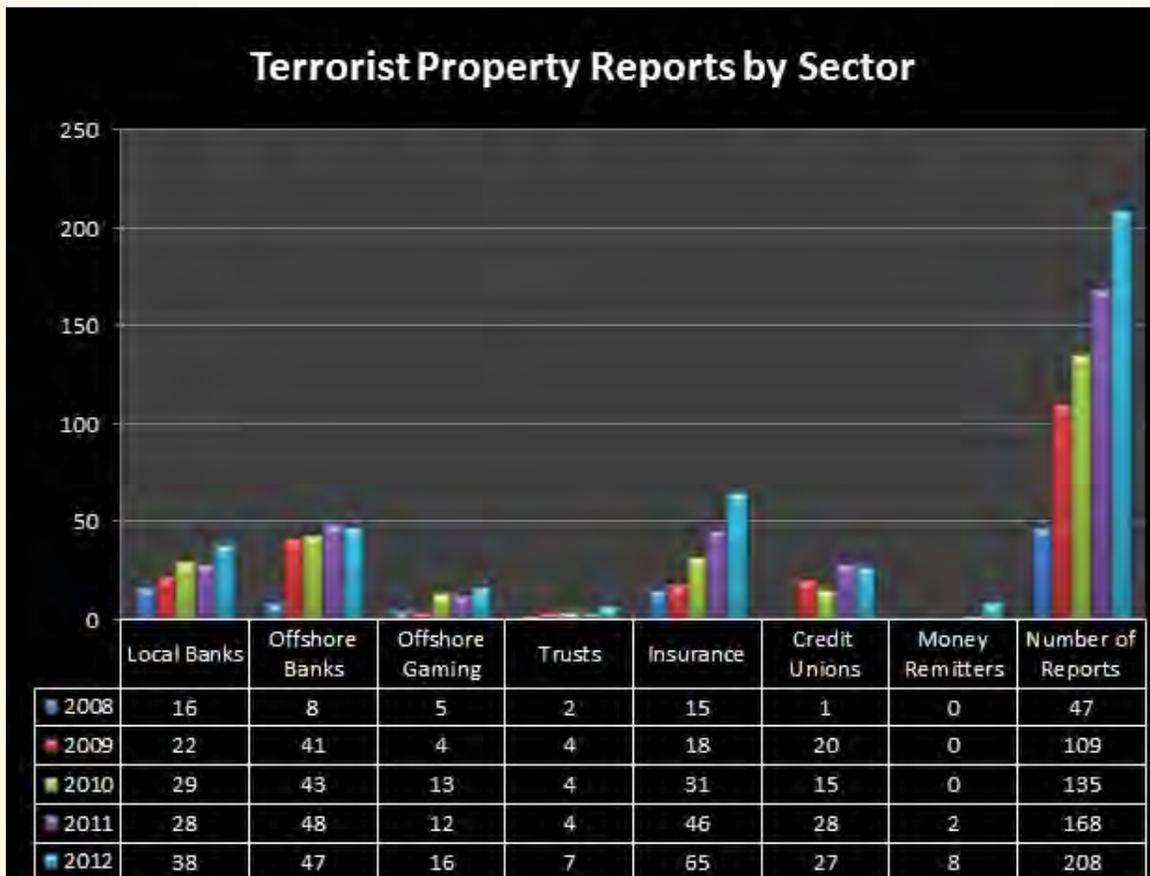
Terrorist Property Reports (TPRs)

In keeping with Section 34(3) of the Prevention of Terrorism Act 2005, which requires a financial institution to state whether or not it is in possession or control of terrorist property, there were 208 submissions for the year 2012. This amount is the largest number of reports ever received. This increase can be attributed to the implementation of the Compliance Unit. While this increase is significant, it is anticipated that 2013 will see even larger submission figures as the Compliance Unit receives additional personnel.

The FIU's assistance to the Attorney General's Office in disseminating Orders to the various financial institutions advising them of updates to the UN Security Council Watch List, concerning additions or deletions of persons or entities suspected of being involved in terrorist activities continued in 2012. Our involvement in this process in 2011 reduced the turn-around time for dissemination of this information on average, from 50 days to within 24 hours, which is in keeping with UN Security Council Resolutions. 2012 saw an increase in the number of Orders posted by the UN Security Council, which increase in frequency has resulted in the average turn-around time being slightly increased to approximately 3 to 4 days.

To-date we have not had any reports from the financial institutions, identifying any specified entities, any suspicious transactions with links to specified entities or terrorism financing, or any property or funds belonging to a specified individuals or entities.

Chart 2



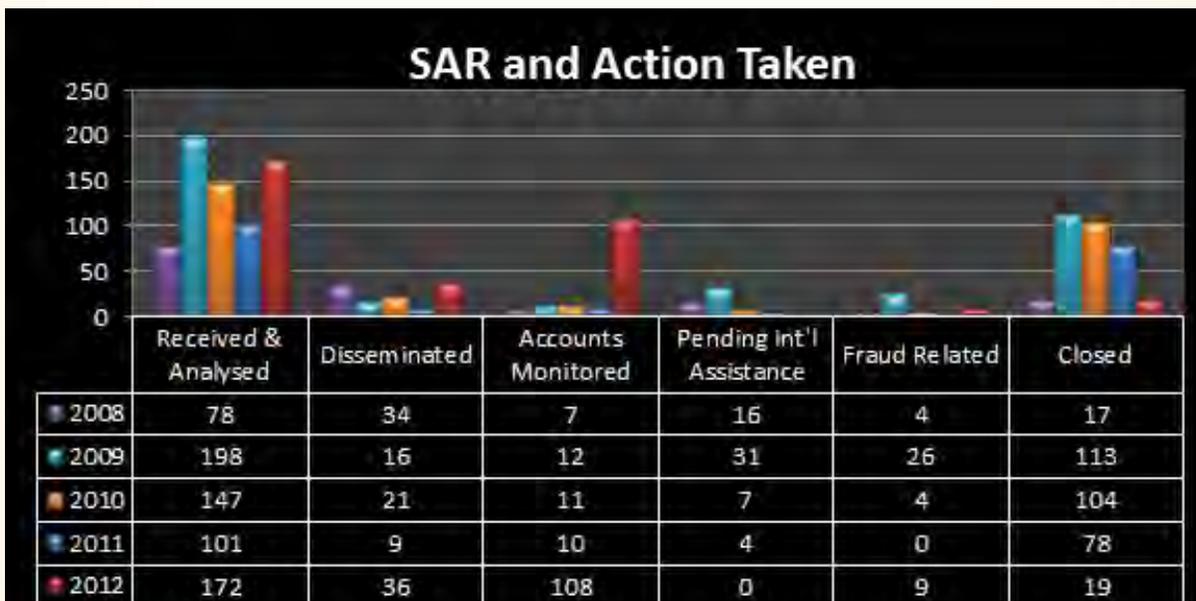
Suspicious Activity Report (SAR)

The first and subsequent quarters of 2012, saw increases in the number of SARs received compared to the same period in 2011. During the first quarter 131 reports were received in comparison to 69 for the same period in 2011, mainly due to submissions by the Offshore Banking sector and the Money Transmission services. This trend continued in both sectors throughout the year which saw the second largest amount of reports received over the past five years.

Chart 3



Chart 4

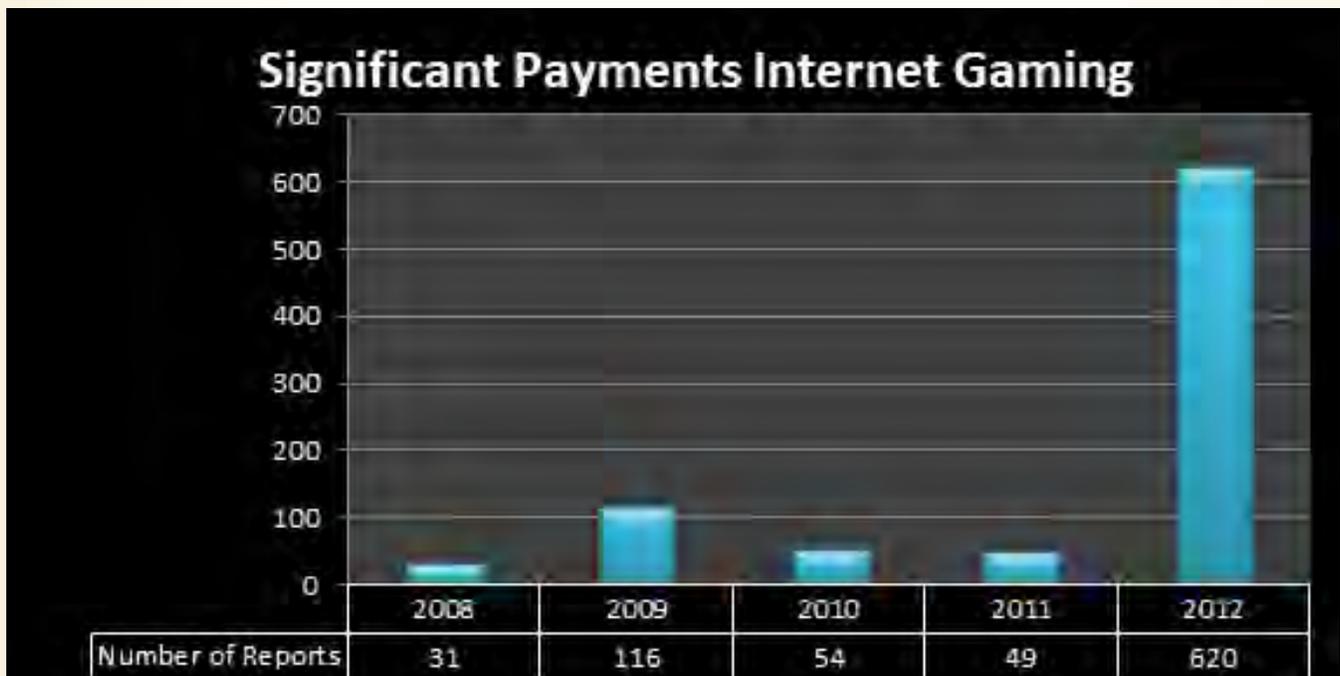


Significant Payment Reports (SPRs)

In accordance with FATF Recommendation 19, which addresses the utility of a system for the reporting of transactions over a specified threshold, Interactive Gaming & Interactive Wagering companies are mandated to report to the Supervisory Authority all payments made to players from player's accounts which exceed the threshold of US\$25,000.

In keeping with this mandate 620 reports were received for this year, compared with 49 for 2011. This significant increase is primarily due to the submission of one company which submitted reports dating back from 2010 – 2011.

Chart 5



Financial Investigations

The Financial Investigations Department (FID), over the past years, has been engaged in several investigations of which 51% are Civil, 35% Hybrid and 14% are Criminal. To date the department has forwarded to the Court for prosecution 7 cases of which 5 have been completed and resulted in convictions, forfeitures and fines, while the remainder are at various stages of the judicial process. The department continues to work feverishly, as there are 23 ongoing Money Laundering investigations.

Financial investigations are usually document-intensive and involve records which point to the movement of money and assets. The major goal in a financial investigation is to identify the “paper trail” or movement of the money, assets and to ascertain the origin of the money, where it is going, who collects it, when it is received and ultimately, locating where it is hidden.

Due to elaborate schemes perpetrated by criminals and their attempts to conceal and ultimately enter their ill-gotten gain into our financial sectors, the administration saw the need to create a department within the Organization with the required financial analytical ability to wade through complex financial records with a view of identifying and providing the links necessary for the proper identification of the particular crime.

The Financial Investigations Department (FID) is responsible for investigating and forwarding for prosecution, persons involved in financial crimes. Money Laundering, Fraud and Terrorism Financing are just a few of the types of crimes that revolve around money, and in these cases, a careful financial investigation often becomes the key to a conviction.

Diagram 1



Criminalization of Money Laundering

The elements of the crime of money laundering are set out in the Money Laundering (Prevention) Act 1996 and its amendments over the past several years. Money Laundering consist of knowingly engaging in a financial and other transactions with the proceeds of crime for the purpose of concealing or disguising the illicit origin of the property.

The concept of money laundering surrounds the processing of these criminal proceeds to disguise their illegal origin. This act, by itself, harms the socioeconomic order by affecting both free competition, and the stability and soundness of the financial system.

Various studies conducted during the past five years by The International Monetary Fund, an organization that oversees the global financial system, has stated that laundered money has increased from 2% and now accounts for 5% of the worldwide economy. These same studies emphasizes that this calculation may not reflect the true extent of the problem as the quantification of its magnitude is limited by the lack of resources to adequately identify and quantify the illicit funds.

Development and Implementation

The FID continues to pursue its Regional and International collaboration with other FIU's, Law Enforcement Agencies (LEA's), Governmental Agencies and the Legal Fraternity throughout the world in an effort to harness "best practices" and guide us with the implementation of new strategies. Organizations and groups such as the Eastern Caribbean Financial Investigations Advisory Team (ECFIAT), United States Immigration and Customs Enforcement (ICE), United States Federal Bureau of Investigations (FBI), United States Drug Enforcement Administration (DEA), Caribbean Regional Drug Law Enforcement Training Centre (REDTRAC), Intelligence and Policing Agencies all play a major role in cultivating the development of the FID.

Cash Seizures

The FID has also received cases referred to it by the Customs and Excise Department concerning cross border cash movement, while The Tactical and Surveillance Team (ONDCP) and the Royal Police Force of Antigua and Barbuda have both referred cases for cash seized during operations. These monies seized are believed to be the proceeds of crime or monies earmarked to further criminal activities.

Below is a chart showing the types and amount of monies seized.



Cash forfeitures

The FID has upon applications for forfeiture in the Courts, have successfully forfeited cash via the criminal and civil routes.

Chart 7



Legal Assistance in Investigating Criminal Matters

To conduct an adequate and thorough investigation into matters of a financial nature, applications are made for certain court orders.

These orders include:

- Search Warrants
- Detention and Freeze Orders and
- Production Orders.

These orders are granted once the investigator has satisfied the court that an offence has been committed, is being committed, or is about to be committed. The information obtained as a result of these order is evidential and can be used in legal proceedings.

Below is a chart showing the types and amount of orders applied for :

Chart 8



Requests

There are a number of methods that the FID has used to obtain information during investigations and this is done by making a request. Requests are either Formal, Informal or via the Egmont secure network and each has a different set of protocols attached. A Formal request is one that is made via a Letter of Request through the Attorney General. This type of request is provided for in the Mutual Assistance in Criminal Matters Act and is for evidential purposes.

Informal requests, on the other hand, are requests made directly to the relevant Law Enforcement Organization (LEO) or other Governmental Agencies for information but this information can only be used for intelligence purposes.

The Egmont secure system is also utilized as a means of getting relevant information out in a timely and effective manner. Please see the chart below.

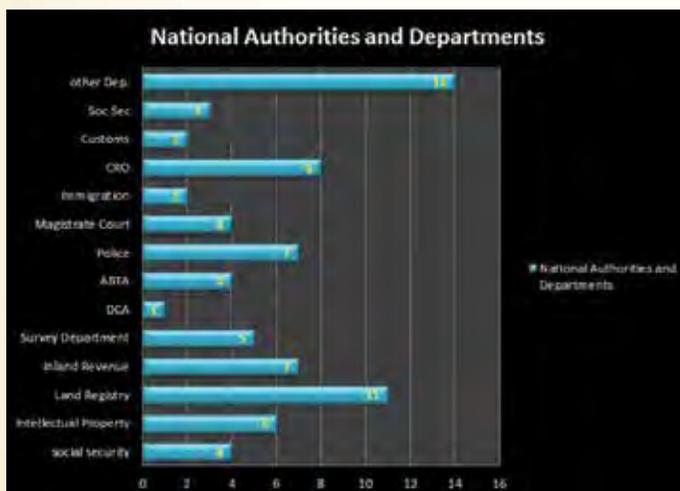
Chart 9



National Authorities and Departments

To assist with investigations, local authorities and governmental departments are contacted and information is obtained pursuant to Section 11 of the Money Laundering (Prevention) Act. There are MOU's in place with several of these agencies.

Chart 10



SUPERVISORY AUTHORITY & AML/CFT COMPLIANCE

The Financial Compliance Unit (FCU) was established in 2011 and its first mandate was to develop an effective AML/CFT examination procedure manual that would provide the framework for enhanced supervision of all financial institutions listed in the First Schedule of the Money Laundering (Prevention) Act.

The supervision process consists of a combination of offsite and onsite examinations of financial institutions to evaluate the effectiveness of their AML/CFT programs, ongoing analysis of the annual AML/CFT audit reports and the monitoring of all relevant statutory reports and requirements.

An examination schedule was developed for 2012 on the basis of the analysis of data compiled from the AML/CFT Systems Implementation Report 2010 as mandated by the Supervisory Authority's Directive No. 3 of 2011. This directive requires all financial institutions to provide answers to a questionnaire through a review of their AML/CFT systems, policies and procedures. The answers submitted provided an indication of compliance issues and the mitigating factors that financial institutions have implemented based on the various legal requirements to prevent money laundering and the financing of terrorism.

The following chart reports an analysis of risk mitigating factors in each financial sector based on an assessment of the levels of effective preventative measures being implemented to combat money laundering and the financing of terrorism.

Table 2

Money Laundering & Terrorism Financing Risk Mitigating Analysis	
Financial Sector	RISK
Commercial Banks	<i>High</i>
Development Banks	<i>High</i>
Mortgage Companies	<i>Low</i>
Credit Institutions	<i>Low</i>
International Offshore Banking	<i>Medium</i>
Money Transmission Services	<i>Low</i>
Money Lending and Pawning	<i>Low</i>
Real Property Business	<i>Low</i>
Credit Unions	<i>Medium</i>
Trust Business	<i>Medium</i>
Insurance Business	<i>Medium</i>
Internet Gambling/Sports Betting	<i>Low</i>
Travel Agents	<i>Low</i>
Casinos	<i>Low</i>
Jewellers	<i>Low</i>
Car Dealerships	<i>Low</i>

AML/CFT Compliance Examinations

The initial focus of our examination was targeted to those sectors with low levels of AML/CFT counter-measures.

Examinations were conducted within the following sectors:

Table 3

Financial Sector	<i>Number of Institutions</i>
Real Property Business	2
Internet Gambling/Sports Betting	1
Travel Agents	2
Jewelers	1
Car Dealerships	2

Our compliance examination effort was however unavoidably curtailed due in part to the departure of our examiners to better paying jobs, in one instance to a regional organization and the other to a statutory body.

New staff has since been recruited and revised plans are being developed to continue a robust compliance examination schedule for 2013.

Annual AML/CFT Audit Reports

Regulation 15 of the Money Laundering (Prevention) Regulations 2007, requires all financial institutions to review annually its systems and procedures for combating money laundering and the financing of terrorism, even where there is unlikely to be a need to effect changes.

The following financial sectors are required to submit a copy of this report to the Supervisory Authority.

1. Banking and Financial Business
2. International Offshore Banking Business
3. Insurance Business
4. Internet gambling
5. Sports betting
6. Casinos
7. Money Services Business

The annual audit reports also serve as a gauge of the effectiveness of the institution's implementation of AML/CFT requirements.

The year 2012 saw a marked decrease in the number of reports submitted.

Table 4

Financial Sector	No. in Sector	Received 2011	Received 2012
Commercial Banks	8	2	4
Development Banks	2	0	0
International Offshore Banks	14	9	6
Money Service Business	4	1	1
Insurance Business	22	2	0
Internet Gambling/Sports Betting	10	3	0
Casinos	7	0	0
TOTAL	67	17	11

The depleted staffing of the compliance unit did not provide for effective follow-up of delinquent reports. Greater focus will be applied in the ensuing year 2013 to increase the level of compliance in the critical reporting areas.

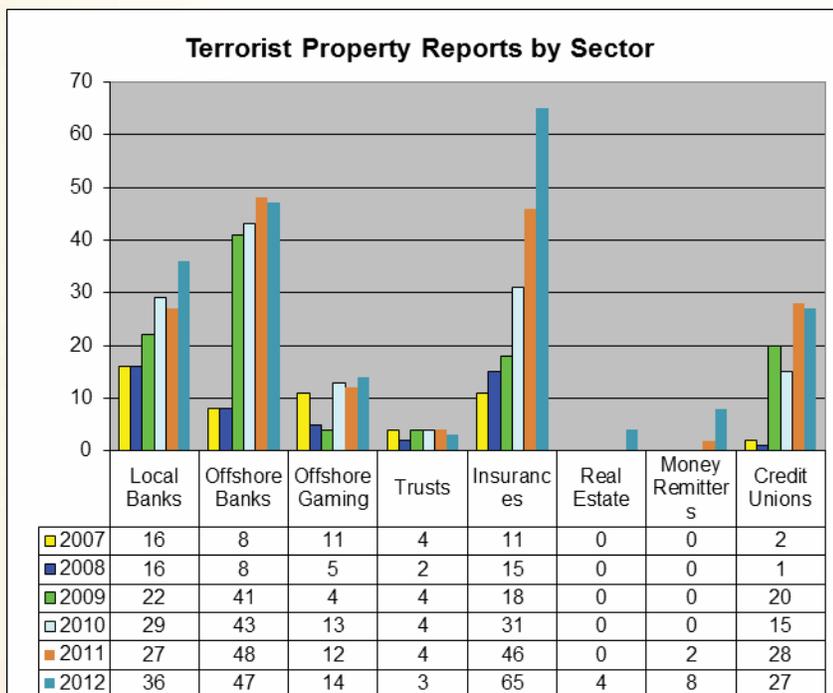
Terrorist Property Reports

The significance of the reports affects both the Financial Compliance Unit and the Financial Intelligence Unit. The FCU reviews these reports to ensure that reporting entities observe the statutory requirements of the Prevention of Terrorism Act while the FIU monitors the level of terrorism financing occurring at financial institutions. To-date no terrorism financing activity has been reported.

The observance of the reporting requirement continues to show improvement.

Chart 11

Domestic Banks were 100% compliant in relation to reports for 2012 while the insurance sector showed a 41% increase.



Legal Department

The Legal Department has played a tremendous role in strengthening the capacity and success of the organization and has continued to provide support by assisting in Mutual Legal Assistance Treaties (MLATs) Request, to and from our regional and international partners. The legal department's advice has been instrumental in the success of the agency. Detailed below is a summary of the legal assistance given to the ONDCP in 2012.

Comparison of Deliverables for 2012

Table 5

Year	2011	2012
Production Orders	24	30
Administrative Freeze Directives	1	3
Freeze Orders	5	9
Confiscation Orders	1	2
Registration Orders	2	2
Ancillary Orders	0	1
Other assistance	0	1
Letters of Request (executables)	6	11
Letters of Request (sent)	4	12

Confiscations

Table 6

Years	2011		2012	
	Property Confiscated	Value of Property (EC\$)	Property Confiscated	Value of Property (EC\$)
MLAT assistance provided	nil	0.00	cash	22,150.00
			motor vehicle	10,000.00
Domestic cases	motor vehicle	16,000.00	villa	420,000.00
Total		\$ 16,000.00		\$ 452,150.00

International Mutual Legal Assistance Requests

Table 7

MLAT Received					
	New requests received	Country Sent From	Related offences	executables completed	Assistance provided
2011	6	USA, Mexico, Norway, Poland	drug trafficking, fraud, corruption, terrorism financing		
2012	7	USA, Mexico	fraud, drug trafficking, corruption	11	obtaining records, registration of forfeiture order, registration orders, delivery of records

Table 8

MLAT Sent				
YEARS	Requests sent	Country Sent To	Related offences	Assistance sought
2011	4	BVI, Canada, Bahamas, Belize, BVI	drug trafficking, money laundering	
2012	12	St. Maarten, USA St. Martin, UK, Canada, Bahamas	money laundering, drug trafficking, fraud, drug trafficking of pharmaceuticals	obtaining records, service of documents

Counter Narcotics

The primary function of the Counter Narcotics Team is the eradication of illegal narcotics from the streets and or waters of Antigua and Barbuda. The team continues to build each year as it serves as one of the nation's specialized teams in intelligence, surveillance and tactical operations.

In 2012 the team continued its close working relationship with other local, regional and international law enforcement agencies.

The Counter Narcotic Team has made a significant contribution in the identification of known and unknown threats, and disrupted drug trafficking rings and provided information in the dismantling of organized crime gangs. As a result of the improved law enforcement mechanisms, drug seizures have increased over the past year.

Correspondents

The Counter Narcotics Teams continues to work closely with national, regional and international agencies in the eradication of transnational drug trafficking.

Table 9

External Request TO Regional and International Agencies	
Jurisdiction	No. of Requests
USA	3
United Kingdom	3
TOTAL	6

Table 10

External Request FROM Regional and International Agencies	
Jurisdiction	No. of Requests
USA	4
United Kingdom	4
Regionally	3
TOTAL	11

Co-operation with National Agencies and Departments

In strengthening the Counter Narcotic product of the ONDCP, the teams have pursued co-operations with the following national agencies and departments

Table 11

Name of Agency/Departments	No. of Requests
Immigration Department	32
Royal Police Force of Antigua and Barbuda	7
Antigua and Barbuda Transport Board	29
Passport Office	2
Social Security	1
National Joint Coordination Centre	2
TOTAL	73

COUNTER DRUG OPERATIONS

The following is a summary of the operations for the year 2012

Officers deployed to the southern side of the island, where during a search discovered (7) crocus bags containing cannabis, in an outside galvanized bathroom in the yard. The drugs weighed **277.53lbs.**

PHOTO OF DRUGS



ONDCP conducted an operation in the southern end of the island. While conducting a search of the coastal area, Officers discovered nine (9) crocus bags, eight (8) containing cannabis and the other containing bottles of wine. The drugs had a combined weight of **357.61lbs.**

ONDCP officers deployed to the V.C. Bird Int'l Airport Intercepted two (2) drug couriers wearing modified back braces attempting to carry **4.20kilos or 9.24lbs** of Cocaine to Canada. The couriers wore two (2) back braces each containing four (4) packages of drugs.

PHOTO OF DRUGS AND BODY BRACES



Officers deployed to the V. C Bird International Airport where they identified and searched a suspicious looking baggage; the bag contained nine (9) brick shaped packages of compressed cannabis which had arrived on a flight from Jamaica. The cannabis amounted to **46.86lbs**

PHOTO OF DRUGS



ONDCP officers were deployed to the Golden Grove area to execute a search warrant in the presence of the suspected trafficker. During the search, one (1) 9mm pistol with eight (8) rounds of ammunition was found. Also found were five (5) packages containing cannabis, which when weighed amounted to **7.37lbs**.

PHOTO OF WEAPON, AMMUNITION and DRUG



ONDCP Officers were deployed to the V.C. Bird International Airport in an effort to locate illegal drugs which entered the country from Guyana. After a search was carried out a suitcase was identified and searched, and one (1) brick shaped package wrapped tightly in a black plastic bag was found. The Cocaine weighed and amounted to 1.1kilos.

PHOTO of DRUGS



ONDCP Officers were deployed to the Willikies area where a vehicle containing 25 bags of cannabis was seized and in a subsequent operation ONDCP Officers again seized **90 grams** of cannabis and **17 grams** of hashish respectively.

PHOTO of DRUGS



Drug Seizures for the period 1st January 2012 to 21st December 2012

Table 12

	SEIZURE	Estimated Value	ARRESTS
TOTAL	1701.7 lbs Cannabis 5.3 kilos Cocaine 1 Taurus 9mm pistol 8 rds of ammunition	\$5,530,520.00 \$ 163,749.42	12

Below is a list of all the major operations conducted during the period 2007 through 2012.

Table 13

Years	No Of Ops	No of Persons Arrested	Drugs Seized	Value of Drugs seized
2007	6	28	6,824 lbs Cannabis	\$ 10,200,000.00 Cannabis
			5.62 kilos Cocaine	\$ 1,137,891.00 Cocaine
2008	11	24	1,438 lbs Cannabis	\$ 2,159,800.00
			16 kilos Cocaine	\$ 570,679.00
2009	6	24	1,859.52 lbs Cannabis	\$ 8,918,680.00
			3.7 kilos Cocaine	\$ 130,682.89
2010	7	15	24.94 lbs Cannabis	\$ 119,620.80
			988.05 kilos Cocaine	\$139,264,028.29
2011	7	15	1854.48lbs Cannabis	\$ 7,417,733.20
			169.65kilos Cocaine	\$ 23,976,948.42
2012	6	12	\$127,983.83 EC cash seizure	\$ 127,983.83
			1701.7 lbs Cannabis	\$ 5,530,520.00
Grand Total	43	118	5.3 kilos Cocaine	\$ 163,749.42
			13,702.64lbs Cannabis	\$ 34,346,354.00 EC
			1,172.32 kilos Cocaine	\$ 165,243,979.02 EC \$ 199,590,333.02 EC
			\$127,983.83 EC cash seizure	\$ 127,983.83 EC cash seizure

The below graphs represents the Cannabis and Cocaine seizures during the period 2007-2012

Chart: 12

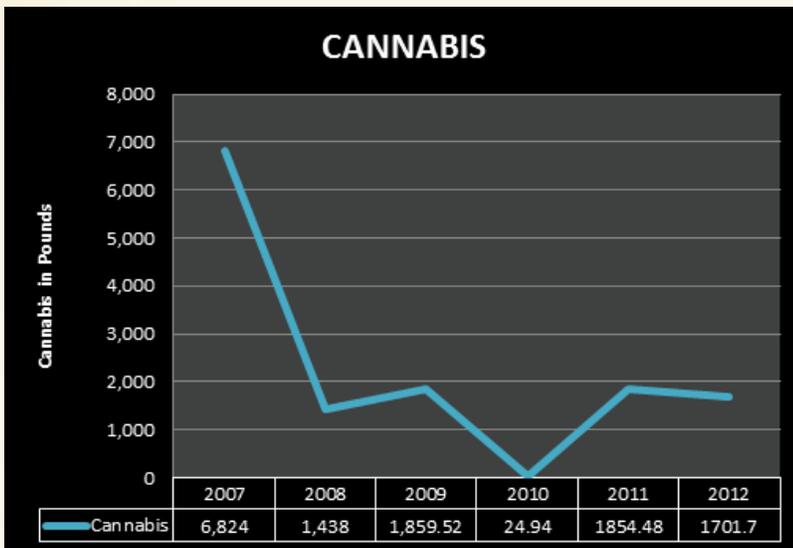
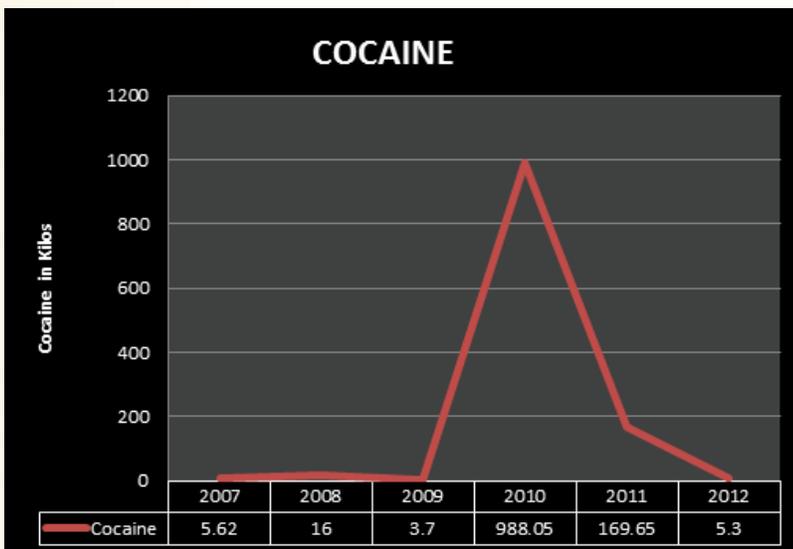


Chart: 13



Notably over the past 6 years starting in 2007 the ONDCP has arrested 118 persons for drug trafficking offences, 43 of which have been convicted and sentenced, 68 are still awaiting trial, of which 27 are on bail, while others were released. Please see the tables below for further information.

Table 14

Year	2007	2008	2009	2010	2011	2012
No. of Cases by year	6	11	6	7	7	6
No. of Cases Cannabis Related				29		
No. of Cases Cocaine Related				14		

It should also be noted that of the 22 cases heard within the courts, 21 has yielded convictions while one was dismissed. **This represents a 95% conviction rate.** Currently there are 21 outstanding cases before the courts awaiting trial.

Partnership

Over the years the ONDCP has partnered with several agencies on various projects, courses and operations. The Agency wishes to recognize our national, regional and international partners.



National

Financial Services Regulatory Commission
Antigua and Barbuda Defense Force
The Royal Police Force of Antigua and Barbuda
Antigua and Barbuda Immigration Department
Customs and Excise Department

Regional

Anguilla
Aruba
Bahamas
Barbados
Bermuda
British Virgin Islands
Cayman Islands
Dominica
Dominican Republic
Grenada
Guyana
Haiti
IMPACS (JRCC,RIFC)
Regional Security Sysytem
St. Lucia
St. Vincent and the Grenadines
St. Kitts and Nevis
Montserrat
Trinidad & Tobago
Turks and Caicos
Venezuela

International

Australia

Canada

- *RCMP*
- *FINTRAC*

EGMONT

USA

- *FBI*
- *DEA*
- *ICE*

United Kingdom

- *SOCA*
- *ECFIAT*

Conclusion

The information contained in this report is a clear indication that 2012 was a reasonable successful year for the ONDCP. In 2012 members of the ONDCP have benefited from several training courses received at national, regional and or international institutions. Being the smallest law enforcement agency in Antigua and Barbuda with a specialized focus, over 70% of its human resource have benefited from training courses.

The ONDCP, in 2013 will celebrate its 17th Anniversary mindful of its 10 year existence as a separate law enforcement agency. Over the past years the organization has successfully eradicated thousands of pounds of cannabis and almost a ton of cocaine from the streets and waters of Antigua and Barbuda. It is envisaged that in 2013 that the organization will continue to pursue its mandated obligations to the nation and work in partnership with national, regional and international law enforcement agencies.

The establishment of the FCU has led to offsite and onsite inspections but the requirement to properly supervise over 200 financial institutions requires additional qualified persons. 2013 should see an effort to increase persons to assist with improved AML/CFT supervision, acquisition of improved IT software to allow for better data capture and renovation to our present facility to improve accommodation for the staff.

It should also be noted that statistics indicate that there is an improvement of the quality of the financial reports from financial institutions; this is due in part to the increased number of training sessions being offered by the organization.

In 2013 it is envisaged that recruiting efforts will be focused on strengthening the capacity of the Financial Compliance Unit in order that there is improved AML/CFT supervision of financial institutions as listed in the First Schedule of the MLPA. Counter Narcotics efforts will continue to be sustained with a determination for increasing effectiveness. Efforts will continue to enhance the FIU's ability and skill in analysing SARs for more insightful analyses that lead to more effective dissemination of reports to investigation units that lead to prosecutions, and to see an improvement in the quality of reports submitted by financial institutions.

In spite of the limited human and fiscal resources, and working with less than adequate equipment, the organization continues to make its contribution to national security and to the safety of visitors, residents and citizens. Director of the ONDCP, Lt Col Edward Croft indicated that in 2013 the agency will continue with its efforts to disrupt organized crime associated with drug trafficking, money laundering and the financing of terrorism. It is the Director's expectation that for the near future there will be enhanced efficiency, improved professionalism and more effectiveness in the execution of duties by the Agency

The ONDCP wishes to express sincerest gratitude to our various partners nationally, regionally and internationally whose collective efforts have resulted in considerable improvements in the standard of work being produced by the agency. This report could not be adequately concluded without recognizing the unswerving efforts of the men and women of the organization which have resulted in the organization's accomplishments. The Director has expressed his appreciation for having been given the opportunity to lead a group of dedicated men and women, whose contribution has made this organization more efficient, earned and gained the respect of society, and has assisted in the growth of a more professional organization.

May God continue to protect the dedicated men and women of the agency as they engage in efforts to fight organized crime.

2012 Typologies of Money Laundering

Typologies are examples of methods, techniques and trends of money laundering and terrorist financing. The Financial Investigations Department (FID), with the aid of the Legal Department and the Advisors from the Eastern Caribbean Financial Investigations Advisory Team (ECFIAT) undertakes detailed and relevant typologies research to better understand the money laundering and terrorist financing environment in the Caribbean with a view of providing decision makers and operational personnel with up-to-date information so that they may create policies and strategies to combat these threats.

The FID includes the integrated processes of collection and analysis of information with case studies and shares its findings and case studies with other Law Enforcement Agencies and the Prosecution Team.

Examples of Cases in 2012

Bardar Cruiser Matter

Category of Typology: Misuse of Legitimate Business
Submission Type: Money Laundering/Narcotics Trafficking

Summary

The owner of Company Z poses as a legitimate businessman with several business ventures throughout the island and has subsidiaries in different countries. This business focuses mainly on construction and also has interest in the cash for gold/pawn shop and the financial sector (as a money remitter). While setting up his business, the owner is able to produce documents and other references which indicated that he is a legitimate businessman with substantial assets. Company Z proceeds trade/pawn jewelry and precious gems for cash.

Investigations into Company Z indicated that the person believed to be the sole owner, actually has a silent partner who is the majority share holder and has control of the company. The silent partner is suspected of being involved in large scale Narcotics Trafficking operations and carrying on Money Laundering schemes for which he has been held for questioning.

It was later uncovered that the front man for Company Z is the person responsible for handling the Narcotics payments and other financial transactions for the silent partner. This was also solidified when the front man was detained at the scene of a narcotics operation.

Case Result

The front man has since been charged (in absentia) with drug trafficking along with others but has since fled the jurisdiction to his native island. The case is presently before the Court

Domingo Franchezca Matter

Category of Typology: Cross Border Movement of Cash
Submission Type: Money Laundering

Summary

Person X is a foreign national who came to Antigua for ‘vacation’. Person X was dressed in a baggy jump suit and scheduled to be in Antigua for three days before going onto another Caribbean Island. Due to excessive fanning and other unusual behavior she was selected by Customs for extra screening. Whilst conducting a pat down search, officials felt rectangular packages beneath her clothing. On further inspection, it was uncovered that Person X had concealed 8 bundles of United States currency beneath two (2) additional pieces of clothing. When asked the reason for concealing the cash in such a manner she stated that she did not want anyone to know she had the money and had no intention of declaring same. X also gave an explanation that the money was intended for the purchase of lands in her native island. Upon further questioning Person X was unable to give the location or cost of the land she intended to purchase or any other relevant information concerning it.

The money was seized and Person X was detained for further investigations. Information gathered by investigators indicated that Person X had not been employed for over a year and was on assisted living to take care of herself and her children. Additionally, ‘X’ occasionally received money via Western Union from two (2) men who had been arrested in a cocaine operation and had been found hoarding significant sums of cash. Both men were known in their respective jurisdictions.

Case Result

Person X was charged with three counts of money laundering and an additional Customs and Excise charge. The matter proceeded to trial but ‘X’ later pleaded guilty to three (3) of the four (4) charges and was sentenced to time served on remand and a removal order was issued by the Magistrate. The money seized from ‘X’ valued approximately USD\$60,000.00 and was forfeited by the Court.

