

## ONDCP ANNUAL REPORT



# Protecting The Family

# TAKING THE PROFIT OUT OF CRIME

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#### **GOVERNMENT OF ANTIGUA AND BARBUDA**

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3rd March 2014

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 2013** 

I am pleased to submit the 2013 Annual Report which reports the activities of the Office of National Drug and Money Laundering Control Policy (ONDCP) in execution of its functions throughout the reporting period. This report is submitted in accordance with Section 4 (3) of the ONDCP Act and highlights the collective efforts of the officers and members of the Agency against organized crime.

I submit this report for your perusal and consideration.

Yours truly,

Edward Croft, CMG, OBE, MBA, CAMS Lt Col Director

ONDCP 2013 ANNUAL REPORT

#### Director's Message

According to Vidal Sassoon "the only place where success comes before work is in the dictionary." It therefore gives me great pleasure to report that the relentless efforts of those committed to ONDCP's Vision and Mission have yielded successful and noteworthy accomplishments for the year 2013. In spite of the many adversities that presented themselves the ONDCP has upheld its mandate to counter drug trafficking, money laundering, terrorist financing and organized crime.

Criminals continue to learn from the ONDCP's successes against them and subsequently alter their techniques to evade detection. However, the agency has continued to strategically utilize the human and other resources at its disposal to efficiently and effectively wage war against these illegal activities. In an effort to continue to bring this agency's endeavor to fruition, much investment has been made in the development and training of staff to ensure that our productive output continues to improve. Anti Money Laundering & Combatting the Financing of Terrorism (AML/CFT) training was also provided to the Financial Institutions as mandated by law and with the view that the prevention of crime is just as important as responding to the commission of crime.

In addition, a significant measure of the ONDCP's continual success as a crime fighting entity has to be attributed to its collaboration with its national and international partners. These partnerships are critical to the ONDCP's endeavor to continually mature and evolve as an intelligence led agency. It is through these collaborative efforts that the agency is able to to gain knowledge as to the best practices in the industry, to obtain vital information, and to leverage our limited resources.

Throughout the course of the year in excess of 650 lbs of cannabis and over 22 kilos of cocaine were seized



which reduced the availability of these drugs to our young people, and therefore to our future leaders.

In 2013, the agency conducted fifteen (15) financial investigations, both criminal and civil, six (6) of which are still active today, five (5) have been forwarded to the Court for prosecution, three require no further action and one (1) is an International request. However during the past six years (2007 - 2013) 32 cases have resulted in successful prosecutions while eleven (11) remain before the courts for prosecution. The agency continues to strive for increased prosecutions and convictions being ever mindful that securing convictions is a true measure of success.

We continue to strive to earn the designation of being one of the Caribbean's lead law enforcement agencies. We have lost a few battles, learned new lessons, maintained our resilience in pursuit of winning the war, and are assured of victory with God at our forefront.

Finally, I take this opportunity to again recognize the unwavering commitment and relentless efforts of the officers and members of the ONDCP. As Director of the ONDCP, I can assert that citizens and members of the society may expect and should anticipate better and greater achievements from this agency which is dedicated to protecting their security and the financial integrity of the country.

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The Financial intelligence Unit continued to strengthen its relationship with the reporting Financial Institutions, educating and by extension uniting our efforts in the combating of financial crimes. To this end, training was provided in the course of the year to 13 Institutions and was attended by over 400 persons. In addition, the Financial Intelligence Unit received in excess of 200 Suspicious Activity Reports of which 138 are being monitored and 6 disseminated for further investigations.

In 2013 the Financial Investigations Department investigated fifteen (15) matters, both criminal and civil of which six (6) remain under investigation, five (5) have been forwarded to the Court for prosecution, three (3) require no further action, and one (1) is an International request. Within the past six (6) years (2007 to 2013), the FID investigated eighty six (86) matters, both criminal and civil. Thirty two (32) of these have resulted in successful prosecutions, eighteen (18) are still active investigations, eleven (11) are before the courts for prosecution, ten (10) have been archived, ten (10) require no further action and the remainder five (5) have been both acquitted and dismissed. In addition, over \$100,000 EC has been seized for 2013

The Financial Compliance Unit examined 20 Financial Institutions for the year. They were constrained in the first quarter by understaffing, which however, did not affect the quality of their output. Throughout the year additional staff were recruited, enhancing the unit's capacity and its readiness to undertake a larger number of examinations in the following year.

The Legal Department was primarily taken up with legal action to obtain forfeiture orders, cash detention orders, freeze orders, production orders, the preparation and dispatching of letters of request to foreign jurisdictions for mutual legal assistance, and the reciprocal processing of foreign requests.

The Counter Narcotics team was continuously involved in training, conducting surveillance and drug interdictions and provided assistance to other ONDCP departments as well as other Law Enforcement Agencies. Throughout 2013 7 cases were prosecuted with 3 successful convictions thus far.Over the past few years, the agency was successful in seizing over 14,000 lbs of cannabis and over 1190 kilos of cocaine. In 2013 the counter drug effort yielded the seizure of over 650 lbs of cannabis, over 22 kilos of cocaine and the arrest of 18 persons.



# Vision

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



## Mission

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



## **ONDCP** Guiding Values

#### **ONDCP**

#### **ADMINISTRATION**



TAKING THE PROFIT OUT OF CRIME



#### Overview

The ONDCP functions with the support of the Administration Department which is an integral part of the success of the agency. In 2013 the Administration Department was effective in ensuring that adequate supplies and the appropriate logistical support were available for the agency to effectively execute its various operational mandates.

Earlier in the year the agency received new recruits who underwent a rigorous 12 week training program which focused on areas such as Officers' Safety Training, Knowledge of governing and other relevant legislation, Surveillance training, Physical Fitness, Weapon Handling, drug investigative techniques, appropriate financial investigative requirements, counter narcotics operations and Court procedures, etc.

In late 2013 the agency established an IT department which improved the efficiency of the agency by allowing for timely updates and maintenance of computer software and hardware. The implementation of the ONDCP's Records Management System in 2013 has allowed the agency to improve on the tracking of relevant information necessary for timely dissemination.





#### Training

The ONDCP received training from various national regional and international organizations. In 2013, 68% of the Agency's staff received training in a range of areas as depicted below in Chart 1:-

#### Legend

FINANCIAL INVESTIGATIONS DEPARTMENT (FID)	ADMINISTRATION DEPARTMENT (ADMIN)
FINANCIAL COMPLIANCE UNIT (FCU)	NATIONAL JOINT COALITION CENTRE (NJCC)
FINANCIAL INTELLIGENCE UNIT (FIU)	LEGAL DEPARTMENT (LEGAL)
DRUG INTELLIGENCE UNIT (DIU)	INFORMATION TECHNOLOGY DEPARTMENT (IT)
TACTICAL AND SURVEILLANCE TEAM (TAST)	

#### Chart 1

DESCRIPTION OF PROGRAMME/COURSE	PLACE OF	PARTICIPANTS	
DESCRIPTION OF PROGRAMME/COURSE			
	TRAINING	FROM THE ONDCP	
LAW ENFORCEMENT AUDIO & VIDEO INTERVIEW	ANTIGUA	FIU, FID, DIU, TAST	
TECHNIQUES			
IMPROVING COORDINATION FOR BETTER VICTIM	JAMAICA	FID	
ASSISTANCE AND CRIMINAL JUSTICE			
ADVANCED URBAN OPERATIONS/CIED SEMINAR	ANTIGUA	TAST	
TECHNIQUES OF FINANCIAL INVESTIGATIONS	JAMAICA	TAST, FID	
AVIATION SECURITY (AVSEC) RISK MANAGEMENT	ANTIGUA	NJCC	
WORKSHOP			
STRESS MANAGEMENT WORKSHOP	ANTIGUA	TAST	
SUPERVISORY COURSE FOR SERGEANTS AND	ANTIGUA	FID, LEGAL	
CORPORALS			
CYBERCRIMES COURSE	JAMAICA	IT	
INTELLIGENCE SEMINAR FOR CARIBBEAN REGION	COLOMBIA	TAST	
REGIONAL NATIONAL RISK ASSESSMENT WORKSHOP	BRITISH VIRGIN	ADMIN, FID, FCU	
	ISLANDS		
AML/CFT RISK BASED SUPERVISON	ANTIGUA	FCU	
ASSET FREEZING - SECURITY COUNCIL RESOLUTION	BAHAMAS	FIU	
CASH COURIER WORKSHOP	ANTIGUA	TAST, FID	
GENDER BASED VIOLENCE WORKSHOP	ANTIGUA	FCU	
FINANCIAL INVESTIGATIVE COURSE	EL SALVADOR	FID	
BUDGET PREPARATION WORKSHOP	ANTIGUA	ADMIN	
GOVERNMENT ACCOUNTING II WORKSHOP	ANTIGUA	ADMIN	
REGIONAL DRUG COMMANDERS CONFERENCE	ARUBA	DIU	
DRUGS IN THE WORKPLACE	ANTIGUA	FCU	
UN CONVENTION AGAINST CORRUPTION (UNCAC)	PANAMA	LEGAL	
NATIONAL SECURITY, TOURISM & SAFETY WORKSHOP	ANTIGUA	TAST, FID	

As the ONDCP continues to grow, it will continue to seek training opportunities despite the fiscal restraints. As the officers and members become more specialized in their specific departmental duties, it is anticipated that the Agency will continue to improve in its effectiveness in the dismantling and elimination of drug tracking rings and money laundering schemes.

#### Fiscal

As in all countries Antigua and Barbuda has suffered a severe blow to its economy due to the global downfall of various markets. In 2013 the ONDCP's budget was significantly decreased by 20% of the overall budget.



#### Highlighted in the graph below are the 2008- 2013 recurrent and development estimates.

#### **Future Plans**

It is envisaged that in 2014 the ONDCP will improve and finalize the necessary regulations to address the areas of Pay & Allowances, Discipline, and Pension & Gratuity in order that these issues are better entrenched in the policies and entitlements of the officers and members of the agency. It is envisaged that there will be need for some expansion, to facilitate two new offices which will allow for the better management of the used and allocated space that is further expected to improve the overall efficiency of the Agency. The old fleet of vehicles especially those utilized in the area of operations is an area of concern and every effort will be made to replace inoperable and obsolete vehicles. There remains the need to obtain the requisite uniform, equipment and other accessories which will assist with the safety and protection of all ONDCP members. As is customary the relevant members will be required to undergo the appropriate vetting and polygraphing as a part of the requirement to maintain national and international security standards.



#### Introduction

The Financial Intelligence Unit (FIU) of the ONDCP is the Egmont standard central point of contact in Antigua and Barbuda for financial intelligence and the repository of suspicious transaction reports (SAR) mandated by law to be made by financial institutions and designated non-financial businesses and professions (DNFBPs). The FIU receives and provides intelligence on financial crime from and to national and international law enforcement agencies with which it is partnered. The FIU is also the unit of the ONDCP that analyses SAR and financial intelligence to determine whether information obtained rises to the level of reasonable suspicion and should therefore be disseminated to the Financial Investigations Department of the ONDCP or to other law enforcement agencies for investigation. The FIU on the authorization of the Supervisory Authority is responsible for the training of financial institutions in their AML/CFT obligations under the law.

In 2013 with the Financial Compliance Unit fully functioning in the area of the examination of financial institutions and DNFBPs, the FIU was freed-up to more fully dedicate its manpower and resources to the analysis of SARs. Great care has been put into the analysis particularly of SARs from the Money Services Business, which is a financial sector particularly vulnerable to abuse.

Significant effort was made in ensuring that reporting financial institutions were provided with feedback on

their SAR submissions, to provide guidance on how to improve the quality of reports submitted and generally to continue to strengthen the relationships developed between the FIU and reporting entities. 2013 saw implementation of carefully structured procedures designed to achieve consistent dissemination of listings of specified (terrorist connected) entities within a 24 hour period or, as stipulated by the United Nations, "without delay".

#### Training for Financial Institutions

The Money Laundering (Prevention) Act 1996 makes the Supervisory Authority responsible for providing training to the public service and financial institutions regarding their duties and responsibilities in preventing, deterring, detecting, and reporting suspicion of money laundering and the possession of the proceeds of crime. In carrying out this duty, the Supervisory Authority through the FIU, in 2013, focused training on financial institutions that fell within certain statistical constraints, and had made minimal submissions of SARs or had very little contact with the FIU.

The following table indicates the number of people trained in AML/CFT laws, regulations and guidelines.

Training of Financial Institutions 2011–2013							
Financial Busines	ses	2011		2012		2013	
Financial Institutions	No. in Sector	No. Trained	No. Persons	No. Trained	No. Persons	No. Trained	No. Persons
Commercial Banks	8	8	104	4	382	4	304
DevelopmentBanks	2	1	2	1	27	0	0
Mortgage Companies	1	0	0	0	0	0	0
Credit Institutions	1	0	0	1	1	0	0
Offshore Banks	15	15	62	0	0	1	24
Money Transmission Services	14	2	3	0	0	1	10
Money Lending & Pawn	3	3	4	2	10	0	0
Credit Unions	7	7	114	0	0	0	0
Trust Business(Local)	2	0	0	0	0	0	0
Trust Rusiness (Offshore)	2	0	0	0	0	1	4
Internet Gambling	6	0	0	0	0	0	0
Sports Betting	4	25	0	0	0	0	0
Real Estate Companies (Agents)	26	1	2	1	1	0	0
Domestic Insurance	18	15	31	4	51	4	107
Dealers in Precious Metal /Art / Jewelry	21	0	0	1	19	0	0
Travel Agents	11	0	0	0	0	0	0
Car Dealerships	6	0	0	0	0	0	0
Financial Services Regulatory Comm.	1	1	12	0	0	0	0
Institute of Chartered Accountants		1	30	0	0	0	0
Banco Transatlantico Ltd (Dominica)		1	1	0	0	0	0
Government / Statutory Institution				3	48	2	50
TOTAL	148	80	365	17	539	13	499

#### **Egmont Requests**

In 2013, the FIU was made the point of access to the Egmont secure web (previously the responsibility of the FID). This made the FIU responsible for retrieving requests by Egmont FIUs in other jurisdictions, and for submitting requests to regional and international Egmont FIUs. There were thirteen (13) requests sent and four (4) received via Egmont in 2013.

#### UN Security Council Watch List

The FIUs continued to assist the Ministry of Foreign Affairs and Attorney General's Office in processing and disseminating Orders to give effect to the United Nations Security Council imposition of sanctions against terrorist entities and their associates. The FIU dispatches these Orders to the financial institutions advising them of updates to the UN Security Council Terrorist Watch List, as they relate to additions or deletions of persons or entities to or from the list.

The FIU has been able to disseminate the Orders which advise of an addition to the list within 24 hours of the Attorney General's signature of the Notice to Freeze. The process has been reviewed, and steps have been taken to streamline the process. To date there have been two test cases, which have resulted in a turnaround time of 1.5 days.

# Suspicious Activity Report (SAR)

The number of suspicious activity reports submitted for the year 2013, decreased by 22.5% from 2012, in the traditional banking sector which includes international and commercial banks, trusts and credit unions. This is due to varying factors, including training, which would allow employees to make a better determination as to what activities should be reported. In addition, these institutions are at the forefront of AML/CFT and would have more sophisticated systems in place to deter suspicious activities.

However, with respect to all financial institutions and DNFBPs, the total SARs saw a significant increase (approximately 67% from 2012).

The FIU has stressed the importance, of all institutions undertaking strict customer due diligence procedures; this effort is credited in part for deterring criminal elements who seek to avoid scrutiny from traditional financial institutions which actively enforce these policies. As a result, we have noted an emerging shift in SAR submissions from the established banking sector to non-conventional value transfer systems. This is evidenced by an increase in SAR filings from Internet Gaming and Money Services Business sectors which contributed significantly to the overall increase suspicious activity reports of approximately 67 per cent from 2012 despite the fall in filings from banks, credit unions and trusts.

The number of reports from the Internet Gaming Industry increased thirteen times or 1200% from 2012, and is largely ascribed to the occurrence of fraud rings and fraud groups in the online casinos. The Money Remitters reported a number of instances of collusion, third party transfers and what appear to be money transfers to support online scams, which explain the increased reporting from this sector (up 132.5% from 2012).

> Look back and thank GOD. Look forward and trust god. He closes doors no man can open He opens doors No man can close...



**SARs and Action Taken** SAR SAR SAR Being SAR Pending Received & Fraud Related Closed Disseminated Monitored Info Request Analysed 

Chart 4



#### Significant Payment Reports (SPR)

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 94 reports were received during 2013. This total was drastically reduced from the amount submitted in 2012, as in excess of 500 reports were submitted by one gaming company for the period 2010 to 2012.



#### **Dollar value of SARS**

Table 2							
DOLLAR VALUE OF SAR'S RECEIVED							
Sector	2012	2013					
Banks	\$ 70,612,726.00	\$ 47,478,766.00					
Insurance	\$-	\$ 792,126.00					
Gaming	\$ 175.00	\$ 33,146.00					
Jewelers	\$-	\$ 150,403.00					
Money Remitters	\$ 419,055.00	\$ 791,339.00					
Attorney	\$ 782,750.00	\$ -					



#### Outlook

In the upcoming year, the Financial Intelligence Unit intends to expand its analytical and data management capabilities through the acquisition of additional software in order to more efficiently discover and uncover networks, patterns and trends in today's increasingly complex financial environment.

Improving our human resource complement is another priority and we are actively recruiting and vetting personnel with the requisite skills, experience, ability and expertise that are necessary to support the functions of the Unit. With regards to the supervision of regulated entities, our focus remains on strengthening training across all sectors. Also, as a result of our collaborative efforts with the Financial Compliance Unit, we have identified several sectors and entities with significant deficiencies in their AML/CFT policies and procedures. Our outreach activities within these sectors will be aimed at providing institutions with remedial training and support critical to identifying vulnerabilities that may be exploited by criminals and combating evolving threats in money laundering, terrorism financing and other financial crimes.





#### Introduction

The Financial Investigations Department (FID) investigates financial crime, specifically those listed as specified offences in the ONDCP Act, which include money laundering offences, drug trafficking offences, obtaining property by deception and conspiracy to defraud, and terrorist financing. A financial investigation, among other things, is often an intensively focused study of documents and records, which detail the movement and disposition of money and assets. A major goal in a financial investigation is often to identify the "paper trail" or movement of the proceeds of crime, and to trace their origin, location and beneficial ownership as well as to uncover hidden assets.

Due to the elaborate schemes employed by criminals to conceal and disguise illegitimate assets and ultimately have those assets conveniently to hand in a financial institution, the administration saw the need to create a robust and technically skilled response, by creating a department within the ONDCP with the required financial analytical ability.

The FID's responsibility is to investigate and forward for prosecution, cases of financial crime.

#### Functions of the Department

The Financial Investigations Department is mandated to perform the following:

- Enforce the provisions of the Money Laundering (Prevention) Act;
- Investigate reports of suspicious activity concerning specified offences and the proceeds of crime;
- Investigate the commission of financial crime;
- Arrest and charge offenders;
- Prepare and forward case files to the prosecution department;

• Forward matters to other Law Enforcement Organizations (LEOs) or government agencies for investigation; and

• Take necessary and appropriate steps as to Detain, Freeze and ultimately Confiscate the proceeds of crime.

#### **Internal Support**

The FID is supported in its role by the other departments / units within the ONDCP, as graphically represented in the figure below.



#### Criminalizing of Money Laundering

The elements outlining the crime of money laundering are set out in the Money Laundering (Prevention) Act 1996. Money Laundering consists of engaging in a financial transaction knowing or having reasonable grounds to suspect that the money or property involved is derived directly or indirectly from some form of unlawful activity. It can also be committed by receiving, possessing, managing, investing, concealing, disguising, disposing of or bringing into the country such property.

Studies have concluded that money laundering, by itself, consistently erodes the socioeconomic order by affecting both free competition and the stability and soundness of financial systems. The International Monetary Fund (IMF) in 2012, reported that between 3% and 5% of the world's economy, approximately \$2 to \$3 trillion, is laundered money. Approximately \$170 million, or less than 1%, is detected and stopped. These same studies emphasize that this calculation may not reflect the true extent of the problem as the quantification of the real magnitude is limited by the lack of resources and statistics by which countries can adequately identify and quantify the illicit funds flowing through their financial system. They also pointed out that crime control has unfortunately been focused locally and is not designed to deal effectively with criminal networks that operate transnationally.

Don't worry about those who talk behind your back. They're behind you for a reason

#### Typologies of Money Laundering

Typologies are simply examples of the methods, techniques and trends of money laundering and terrorist financing used by criminals today. The FID with the aid of the Legal Department documents typologies and studies them 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 as to assist with the creation of policies and strategies to combat these threats.

The FID shares its findings and case studies with other Law Enforcement Agencies and Prosecution Teams.



agencies, all of which play a major role in cultivating the development of the FID.

#### Development and Implementation

The FID continues to pursue regional and international collaboration with other FIU's, Law Enforcement Agencies, Governmental Agencies and the Legal Fraternity throughout the world in an effort to harness "best practices" for the implementation of new strategies such as those established and used by the Caribbean Criminal Asset Recovery Progamme (CCARP), United States Immigration and Customs Enforcement (ICE), United States Inland Revenue Services (IRS), United States Federal Bureau of Investigations (FBI), United States Drug Enforcement Administration (DEA), Caribbean Regional Drug Law Enforcement Training Centre (REDTRAC), and other intelligence and policing

#### Training

Despite the present state of the economy, the ONDCP has continued to pursue continuous training and mentorship. These training courses and mentorship programs have allowed investigators to keep abreast of the changing strategies of criminals.

#### Investigations

In 2013 the FID investigated fifteen (15) matters, both criminal and civil of which six(6) remain under investigation, five have been forwarded to the Court for prosecution, three (3) require no further action, and one (1) is an International request.



Chart 8- This chart shows 15 cases undertaken by the FID for 2013

In the past six years (2007 - 2013), the FID has investigated eighty six (86) matters, both criminal and civil. Thirty two (32) of these have resulted in successful prosecutions, eighteen are still active investigations, and eleven (11) are still before the courts for prosecution, whilst ten (10) have been archived and ten (10) require no further action and the remainder five (5) have been both acquitted and dismissed.



#### Chart 9 - present status of cases

Chart 10 - Number and types of cases undertaken by the FID



#### **Cash Seizures**

The FID has received cases referred to it by the Customs and Excise Department concerning cross border movement of cash, the Tactical and Surveillance Team of the ONDCP and by the Royal Police Force for cash seized during counter-drug operations. These monies are seized on suspicion that they are the proceeds of crime or monies earmarked to further criminal activities.

Chart 11 - types and amounts of money seized from January 1 to December 31, 2013.

#### Seized Cash 2013



Chart 12 - Types and amounts of money seized during the period 2009 -2012.



#### Seized Cash 2009 - 2012

### Forfeitures

#### Cash forfeitures

Chart 13- In 2013, the FID, using the criminal and civil forfeiture regimes of the Money Laundering (Prevention) Act, has had successful forfeitures as outlined in the Figure x below;



#### Forfeited cash 2013



Chart 14 - From 2009 - 2012, the FID had the successful forfeitures shown in Chart 14 below;

Chart 15



#### **Property Seized or Frozen**

During the period 2009 -2012, the FID has, upon applications before the Courts, successfully detained or frozen property as listed below.

Chart 16



#### Legal Assistance in Investigating Criminal Matters

To adequately investigate financial crime, it is often necessary for applications to be made for court orders to assist investigators. Orders applied for include: Search Warrants, Detention and Freeze Orders, Production Orders and other ancillary orders.

These orders are granted in accordance with the law, upon the investigator satisfying the court that a money laundering offence has been, is being or is about to be committed or there is reason to suspect that such may be the case. Detention and Freeze Orders restrain property pending the outcome of legal proceedings, while information obtained by Production Order is evidential and can be used in legal proceedings, including proceedings for the forfeiture or confiscation of the proceeds and instrumentalities of crime.

Wisdom, compassion, and courage are the three universally recognized moral qualities of men.

Confucius

Types of Orders applied and value of property involved for during the period Jan 1 to Dec 31, 2013

Chart 17



#### Requests

There are a number of methods that the FID can use to obtain information during an investigation, which include making requests for mutual legal assistance. These requests are either formal or informal and a different set of protocols is attached to each. A formal request is one that is made via a Letter of Request, pursuant to a treaty, convention or based on reciprocity. These Letters of Request are made through the Attorney General. This type of request is provided for under the Mutual Legal Assistance in Criminal Matters Act 1993 or under the terms of a treaty, and is to be used when the material requested is to be used for evidential purposes. An Informal request is made directly to the relevant Law Enforcement Organization or other Governmental Agencies for information to be used for intelligence purposes.





# National Authorities and Departments

To assist investigators in the various aspects of a financial investigation, local government authorities and departments are contacted for information in exercise of the powers of the Supervisory Authority, pursuant to Section 11 of the Money Laundering (Prevention) Act. The ONDCP has a Memorandum of Understanding (MOUs) with the Financial Services Regulatory Commission (FSRC) which is a detailed set of protocols for requesting and obtaining information between the ONDCP and the FSRC, the latter regulates the offshore sector and a number of domestic financial institutions

Chart 19 - Departments and authorities to whom requests were sent in 2013



#### Looking to the Future

The Financial Investigations Department continues to actively engage in the process of improving the skill sets and the knowledge base of its officers in an effort to improve the efficiency of the department and to create a well-trained and organized group of Investigators.

Plans are in place for the FID to continuously revise its approach to conducting financial investigations and to incorporate up-to-date best practices, with a view of creating a more professional approach to investigations, and to conclude investigations more expeditiously.

Plans are being formulated for all financial investigators to be accredited by a recognized institution. There is also recognition of a need for forensic accounting software and the services of a forensic accountant / analyst to assist with interpreting complex patterns of financial transactions. Acquisition of these assets would raise the level of performance by the agency very significantly.



#### Introduction

The Financial Compliance Unit (FCU) was established towards the end of 2011 under the guidance of the Supervisory Authority, with the mandate to, inter alia, conduct on-site and off-site Anti Money Laundering & Combatting the Financing of Terrorism (AML/CFT) examinations of financial institutions, designated non-financial businesses and professionals. These examinations are conducted to ensure that the institutions and professionals comply with the Money Laundering Prevention and the Financing of Terrorism Laws, Regulations and Guidelines.

However, the Unit found itself severely handicapped in mid 2012 due to the resignation of staff for purposes of migration and better opportunities. As a result, person(s) within the Financial Intelligence Unit (FIU) were engaged to assist with the continuance of a number of the functions of the FCU which continued until the second quarter 2013.

During the period under review, measures were taken to recruit the necessary persons to carry out

the responsibilities of the Unit but they were not specifically assigned to the Unit until the second quarter of 2013. It is obligatory that the FCU continue to recruit individuals and build full technical capacity to assist in strengthening its analytical supervision; and, it is also necessary to enhance the Unit's compliance capabilities and its outreach activities.

#### Staffing

Throughout the year, in order to strengthen the supervision compliance and analytical functions, the Unit was staffed with additional persons resulting in a complement of a Manager and five financial analysts. However, towards the end of 2013 one of the financial analysts was transferred to the IT Department to lead that team. In order to strengthen the analytical supervision of financial institutions, it is critical for the Unit to be adequately staffed in order to carry out its mandate of compliance supervision/monitoring, outreach to new financial institutions, analysis of reports received and provide assistance to the Financial Intelligence Unit with AML/CFT training.



#### The Institutional Strengthening of the FCU

#### Internal Staff Training – 2013

During the period covered by this report, the FCU staff participated (whether individually or on a whole) in several training opportunities, namely:

- Risk-Based Supervision of Financial Institutions
- Gender Based Violence
- Drugs in the Work-Place
- Cyber Crime Investigations
- The Rudiments of Interactive Gaming and Wagering
- Introduction to World-Check software application
- National Risk Assessment Workshop

#### **Financial Examinations**

TThe Money Laundering (Prevention) Act 1996 was amended in early 2013 to provide greater authority to the FCU through the Supervisory Authority to examine all documents, records and information relative to the AML/CFT systems of financial institutions. As with most regulatory bodies, the FCU has limited resources with which to meet an almost unlimited task. It is acknowledged that the most effective way to meet our regulatory duties with limited resources is to adopt a risk-based approach. A risk-based approach allows for the time and resources to be focused on those areas and entities that are most likely to pose a higher risk for AML/CFT.

Imagine with all your mind. Believe with all your heart Achieve with all your might.

As such, from July 2013, twenty (20) examinations were conducted on financial institutions from various sectors. Although the Supervisory Authority has powers to issue warnings, impose sanctions and administer financial sanctions for non-compliance by financial institutions, the FCU has embraced the approach of developing close working relationships with the institutions under review, with the understanding that each body has particular responsibilities and obligations.

#### **Overview**

A total of 20 examinations were conducted from mid-July to November during 2013. The institutions were randomly selected from various sectors. The examinations conducted were full-scope examinations. In a full-scope examination, all aspects of the AML/ CFT statutory requirements are examined for the level of implementation and compliance. Several smaller institutions were also chosen in an effort for the new examination team to become more familiar with the process of examinations and to sensitise/ remind the institutions of their AML/CFT obligations.

#### Outcomes of the AML/CFT On-Site Examinations

On a general level, the examinations revealed that the larger financial institutions have, on average the highest compliance on the majority of the measures assessed. The smaller institutions, although they may perform fairly adequate on several of the AML/CFT compliance measures, they lack formalised policies and procedures which contribute to their poorer performance overall. The introduction of policies and procedures including a customer acceptance policy and staff training will go a long way in ensuring better AML/CFT compliance among this category of institutions.

Table 3

#### **Financial Institutions Examined by Sector**

Financial Sector	Number of Institutions Examined		
Car Dealerships	3		
Dealers in Precious Metals & Stones	3		
Domestic Banks	2		
International Banks	1		
Money Lending & Pawning	4		
<b>Money Transmission Services</b>	1		
Real Property Business	2		
Travel Agents	4		
Total Institutions Examined	20		

In 2014, the FCU is projecting to examine approximately over 60 financial institutions, following up with the institutions under review to ensure they comply with all the relevant legislation relating to AML/CFT. The institutions scheduled for examination in 2014 have been selected on the risk-based approach – that is, the financial institutions were selected based on the likelihood and size of impact of their risk within

their various sectors. The work plan for each onsite examination has been determined to encompass at least two days.

However, for larger institutions or based on the complexity of the institution, additional days have been allotted.

#### **Terrorist Property Reports**

In accordance with Section 34 (3) of the Prevention of Terrorism Act, 2005, a financial institution is required to indicate whether or not it is in control or possession of terrorist property. Total submissions for the 2013 reporting period is 260 submissions, an increase from 2012 which had a total of 208 submissions. The compliance and submissions of this reporting requirement continues to improve. With the additional staff in the Compliance Unit, an outreach programme has been ongoing to sensitise financial institutions on their reporting obligations. The goal in 2014 is to ensure that timely submissions of the Reports continue and also to strengthen the sensitisation process.

-			
Ta	b	le	4

#### Terrorist Property Reports by Sector – 2013

	2012 Q4	2013 Q1	2013 Q2	2013 Q3	Total
Local Commercial Banks	8	8	8	8	32
Development Banks	1	1	1	1	4
Offshore Banks	13	11	11	11	46
Travel Agencies	0	1	1	2	4
Money lending and pawning	0	4	4	4	12
Trust Companies	1	2	2	2	7
Credit Unions	6	6	6	6	24
<b>Corporate Management Services</b>	0	0	3	3	6
Insurance Companies	17	15	13	13	58
Insurance Companies - Offshore	4	2	1	2	9
Money Remitters	3	2	3	3	11
Real Estate Companies	2	6	6	7	21
Internet Gaming & Sports betting Companies	6	8	7	5	26

Your future is created by what you do today not tomorrow.





ONDCP 2013 ANNUAL REPORT



#### Terrorist Property Reports by Sector - 2008 - 2013

# The FATF ARRG Site Visit – December, 2013

The Financial Action Task Force (FATF), at its meeting in Paris during the period from 14 – 18 Oct 2013, discussed the significant progress made by Antigua and Barbuda in implementing its FATF Action Plan. The FATF acknowledged that Antigua and Barbuda has clearly demonstrated progress in improving its AML/ CFT regime. Due to this important progress, Antigua and Barbuda has been moved back to "Improving Global AML/CFT Compliance: On-going Process", by the FATF.

Consequently, the FATF Americas Regional Review Group conducted an on-site visit in early December,

2013 to confirm the process of implementing the required reforms have begun and that actions are underway to address deficiencies previously identified by FATF. The discussions held involved dialogue with the responsible agencies for each outstanding matter(s), the recommended action(s), any implementation issues, the estimated completion timeframe and any other issues.

The meeting concluded with information provided to the stakeholders on the outcome of the visit. As a result, the recommendation will be proposed at the next FATF Plenary meeting on 10 - 14 February, 2014 in Paris, France for Antigua & Barbuda to be removed from the FATF/ICRG process.

#### National Risk Assessment Workshop

A joint team from the ONDCP and the Royal Police Force of Antigua and Barbuda attended a National Risk Assessment (NRA) Workshop hosted jointly by representatives from the World Bank and The Caribbean Financial Action Task Force (CFATF) on 9 - 10 December in Tortola B.V.I. The main aim of the workshop was, inter alia, to provide a general awareness and understanding of what a national risk assessment is and obtain an understanding on the goal of a risk assessment in the AML/CFT field. Also discussed were the expected benefits and outcomes of the assessment, as well as how to get persons familiarised with the mechanism and the components involved to conduct a national risk assessment. Topics included an overview of the recent discussions on, and the concept of, a National Risk Assessment, the World Bank's model of a national risk assessment and the experience gained and the lessons learnt from a Caribbean jurisdiction. Also on the agenda were, the process or mechanism for risk assessment, the assessment of threats and vulnerabilities data, statistics and information to support the risk assessment.

A National Risk Assessment, although not a particularly new concept, is now being constantly emphasised because it has been made an important requirement in the new FATF 40 Recommendations published in 2012.





#### Introduction

The activity of the Legal Department for 2013 supported the work of the ONDCP in combating drug trafficking, fraud, migrant smuggling and the ever attendant offence of money laundering. The year was primarily taken up with legal action to obtain forfeiture orders, cash detention orders, freeze orders, production orders, the preparation and dispatching of letters of request to foreign jurisdictions for mutual legal assistance, and the reciprocal processing of foreign letters of request. The department was also occupied with representing the country in respect of its obligations under the United Nations and OAS conventions on corruption. The subject of court orders obtained were seized cash, bank accounts and other personal property. The maximum value of money frozen and detained in the course of year was \$445,324.85 .

The Quarterly productive output for the year is summarized in Table 5 below expressed in terms of deliverables. Table 5 compares activity in the1st, 2nd, 3rd and 4th Quarters of 2013 and the cumulative result. The general trend revealed a normal distribution of activity, with greatest number of freeze orders in Q1, greatest number of confiscation orders in Q1 and Q3, greatest number of executables on Letters of Request (LOR) in Q4 and most Letters of Request (sent) in Q3 which was a record number of LOR sent seeking foreign assistance. A graphical representation of the trends are depicted in Chart 24- Comparison of Deliverables Q1 to Q4.

**TEAMWORK** Never doubt that a small group of thoughtful committed people can change the world. Indeed it is the only thing that ever has.

Over the course of the year operations resulted in the seizure and detention of money in dominations of EC, US, GBD, CAD, BBD. For purposes of this report all currencies have been converted to EC. Bearing in mind that except for US, the conversions are unstable, the figures provided in this report are approximate and derived using the following conversion rates: US=\$2.75; EURO=\$3.69; GBD=\$4.45; BBD=\$1.35 The value of property other than money is not accounted for in this report. Only cash forfeitures occurred in 2013
	Q1	Q2	Q3	Q4	Year
Production orders	1	2	0	3	6
Admin freezes	0	0	0	0	0
Freeze orders	4	0	3	2	9
Confiscation/ forfeiture orders	3	0	0	3	6
Registration orders	0	0	0	1	1
Cash detention orders	0	7	3	0	10
Ancillary orders	0	0	1	0	1
Other assistance	0	0	0	0	0
Executables on LOR received	2	1	2	7	12
LOR sent	1	3	7	1	12

# ${\bf Table}\ {\it 5}$ - Chart 24- Comparison of Deliverables Q1 to Q4.





Chart 24 - Comparison of Deliverables Q1, Q2, Q3, Q4 2013

Activity over the course of 2013 was varied, with six forfeiture orders, all cash forfeitures, which set an annual record, six (6) production orders and nine (9) freeze orders. See Table 6 which compares deliverables over the past three years 2011, 2012 and 2013. Compared to previous years, activity for 2013 was normal. Freeze orders (9) were again at their highest level since 2012. However, production orders at six (6) were significantly lower in 2013 compared to the two previous years. This is attributable to what can be characterized as extraordinary activity in the two previous years, which under present circumstances would not be expected to be sustained except for extraordinary circumstances.

Letters of Request sent to foreign jurisdictions, spiked, with seven Letters of Request sent setting a record for the most ever dispatched in a year. The comparisons with previous years, however, are not all on an equal footing.

Specifically, the executables on Letters of Request were not recorded in 2011 and were not recorded fully for 2012, which means that the comparisons do not have an effective baseline, which was only fully set in 2013, when the method of counting executables was satisfactorily established.

	2011	2012	2013
production orders	24	30	6
admin freezes	1	3	0
freeze orders	5	9	9
confiscation orders	1	2	6
registration orders	-	2	1
cash detention orders	-	_	10
ancillary orders	-	1	1
other assistance	-	1	0
executables on LOR received	-	11	12
LOR sent	4	12	12

Table 6– Year-to-Year Comparison of Deliverables 2011 - 2013

2013 was marked by the extension of the legal capacity of the department with the presence of the recently arrived attorney, who underwent an extensive ONDCP orientation training with other new members of the organization that extended over a three-month period.

The Department became active in giving effect to the ONDCP's new mandate to be Antigua and Barbuda's representative to the United Nations in relation to the UN Convention Against Corruption, and to the Organization of American States in implementing its Convention on Corruption. This led to an attorney from the department acting as an assessor in the onsite assessment of Uruguay in relation to its implementation of the UN convention, and to participating on Expert Committees on Corruption meeting in Panama.

The 4th Quarter of the year was taken up with the exceptional activity of preparing for the visit of the FATF Americas Region Review Group which made a site visit to the country to determine Antigua and Barbuda's implementation of outstanding key and core FATF Recommendations.

## **A. Investigations and Prosecutions**

Assistance in investigations and to the Supervisory Authority in his duty to trace and forfeit the proceeds and instrumentalities of crime is summarized as follows:

#### 1. Production Orders

Six production orders were obtained in 2013. Four were in support of investigations into money laundering and two in relation to facilitation of money laundering. The orders are charted in Chart 25.

#### 2. Freeze and Restraint Orders

Nine freeze orders were obtained in 2013. This level of legal activity was only achieved once previously for the first time in 2012. The cases concerned predominantly drugs and one related to money laundering. The freeze order activity is shown in Chart 26.

#### 3. Cash Detention Orders

There were ten cash dentition orders obtained for the year. Seven (7) detention orders obtained in the 2nd Quarter in cases concerning drugs, money laundering, and failure of a cash courier to declare money being transferred out of the country in excess of US \$10,000 as required by the Money Laundering (Prevention) Act. There were three (3) cash detention orders in Q3, one for failure to declare the cash on attempting to depart the country, one for cash seized in the execution of a search warrant where drugs were found, and the third a renewal of an expiring detention order, See Chart 27.



# **Forfeiture and Confiscation Orders**

There were six forfeiture orders obtained for the year. The forfeiture figures for Q1 refer to three (3) cash forfeiture orders. Two of these were in relation to persons convicted of trafficking cocaine, where \$13,828 was forfeited by the magistrate in civil cash forfeiture proceedings. The third forfeiture relates to advice given by the Legal department to the Police Proceeds of Crime Unit which resulted in the PCU obtaining a cash forfeiture. See Chart 28 for depiction of the forfeiture orders.

Details of the ONDCP cases that resulted in forfeiture are, for Q1:

i Cash forfeiture obtained for the sums of \$4,745 US, \$16.24 EC and \$2.57 BDS. The cash had been seized when found together with cocaine in the defendant's possession.

ii. Cash forfeiture obtained for the sums of \$261.00 US and \$39.26 EC. The cash had been seized when found together with cocaine in the defendant's possession.

iii A formal order of forfeiture was obtained for the automatic forfeiture that had come into effect in December of 2013. (To avoid double counting, this amount has not been reflected in the statistics for 2013 as it was already reported in 2012).

Total property forfeited on behalf of the Supervisory Authority in Q1 was valued in total at \$41,328.80 EC.

There were three (3) cash forfeitures in Q4 all relating to money connected to drug trafficking, which resulted in a total forfeiture of \$14,914.86.

- 1. Forfeiture of US, Euros and Canadian currency valued at \$7,077.55.
- 2. Forfeiture of US and EC currency valued at \$1,098.75.
- 3. Forfeiture of US and EC valued at \$2,362.25.





The value of money subject to legal action, both detention and forfeiture, in 2013 is summarized in Table 7.

	Q1	Q2	Q3	Q4	Year
cash detention orders	0.00	445,324.85	201,499.50	0.00	646,824.35
cash forfeited	41,328.75	0.00	0.00	14,914.86	56,243.61
Totals	41,328.75	445,324.85	201,499.50	14,914.86	703,067.96

## Table 7 - Value of Property Subject to Legal Action

#### 5. Registration Orders

One (1) registration order was obtained, registering for enforcement a US forfeiture order in a case concerning fraud. This was in execution of a US MLAT Request.

## 6. Ancillary Orders

In order to fully execute a request for enforcement of a confiscation order, it was necessary to apply to the court and obtain an ancillary order for sale of land that had been confiscated by the successful registration of the confiscation order.

# **B.** Mutual Legal Assistance

Letters of Request received from foreign jurisdictions and Letters of Request sent abroad to obtain mutual legal assistance during 2013 are summarized in Table 8 below. For the year a total of three (3) formal foreign Letters of Request for mutual legal assistance (LOR) were received. Requesting countries were Canada and the United Kingdom. The LOR related to migrant smuggling and drug trafficking.

The executables on current Letters of Request received are set out in Table 8 and graphically displayed in Chart 29. They show that in order to execute LOR, it was necessary to obtain two (2) sets of government records; one (1) registration order; one (1) court order (a ruling on the registration of a US forfeiture order); one (1) ancillary order in support of the enforcement of a confiscation order; three (3) requests for followup action and supporting information; four (4) formal responses to LOR.

The Legal Department prepared twelve (12) LOR which were sent to British Virgin Islands, United Kingdom, France, Dominica, and Switzerland. The LOR were in support of investigations into drug trafficking and money laundering. See Table 6. The activity is depicted in Chart 7.

*The best time to plant a tree was 20 years ago. The second best time is now.* –Chinese Proverb

executables are the deliverables that must be completed in order to execute a LOR, e.g. production orders, freeze orders etc.



## **C. Law Reform**

Money Laundering (Prevention) Act: In February, reforms to the MLPA providing for the examination of financial institutions by the Supervisory Authority, to which Legal had an input, were passed by Parliament. An important amendment to the Banking Act mandating the reporting to the Central Bank of changes to directors, managers and significant

shareholders became law, and as this amendment was a result of the requirements of the CFATF Recommendations, and its implementation would subsequently be assessed by examiners, the Legal Department was required to advise the Director in relation to effectively implementing the new provision, and the challenges that arose due to complications in the regime that governs the single economic region that is the OECS.

	procure governm ental records	registrati on orders	court orders	ancillary orders	requests for follow-up action	letters of response
Q1	0	0	0	0	0	2
Q2	0	0	1	0	0	0
Q3	0	0	0	1	1	0
Q4	2	1	0	0	2	2
Total	2	1	1	1	3	4

#### ${\bf Table\ 8}$ - Executables on Letters of Request 2013



## Chart 29 - Executables on Letters of Request 2013



<b>Requests received</b>	Number	Country sent from	Assistance sought
Q1	1	Canada	obtain government records
Q2	0	-	-
Q3	1	UK	enforcement of confiscation order
Q4	1	UK	obtaining information
Total	3		
Requests sent	Number	Country sent to	Assistance sought
Q1	1	BVI	conduct interviews
Q2	3	BVI, UK France	obtain financial information; obtain government records; obtain public records; service of documents
Q3	7	UK, France, Dominica, Switzerland	official records; public records; financial information; conducting interviews
Q4	1	Dominica	supplemental information supplied to requested country
Total	12		

 $\mathbf{Table} \ 9 \ \textbf{-International Mutual Legal Assistance Requests (Sent and Receive) 2013}$ 



## Introduction

The Counter Narcotics team continues to deliver results in their continued effort to eradicate illegal narcotics from the streets and territorial waters of Antigua and Barbuda. The team's competency continues to increase with more opportunities for specialized training nationally, regionally and internationally.

With a keen understanding of the importance of partnership the team has strategically maintained collaborative efforts with other local, regional and international law enforcement agencies for successful outcomes. The team continues to make significant contributions in the identification of threats as it strives to eliminate the trafficking of illegal narcotics. As a result of the improved intelligence mechanism, drug seizures increased over 2013.

The mandate of the ONDCP executed by the Counter Narcotics Team is to continue to tackle the multimillion dollar illegal drug trade and the full scope of challenges, in order to bring about significant reduction of this scourge in our society.

## **Close Working Relationship**

The Counter narcotics teams continue to work closely with national, regional and international agencies in the eradication of transnational drug trafficking.

#### Table 10 - External Requests to Regional and International Agencies

Name of Agency	No. of Requests
Drug Enforcement Administration (DEA)	7
Serious Organized Crime Agency (SOCA) now National Crime Agency (NCA)	6

#### Table 11 - External Requests FROM Regional and International Agencies

Name of Agency	No. of Requests
Drug Enforcement Administration (DEA)	8
Serious Organized Crime Agency (SOCA) now (NCA)	10
Customs Drug Enforcement St. Martin	1



In strengthening the Counter Narcotic product of the ONDCP, the teams have continued to pursue co-operative and collaborative efforts with the following national agencies and departments

Table 12	
Name of Agency/Department	No. of Requests
Immigration Department	21
Royal Police Force of Antigua and Barbuda	4
Antigua and Barbuda Transport Board	24
Antigua and Barbuda Social Security Board	10
National Joint Coordination Centre	8
TOTAL	67

#### **Co-operation with National Agencies and Departments**

#### **Operations**

The following are short summaries of operations conducted by the agency

. .

ONDCP Officers along with Officers of the Antigua Barbuda Defence Force Coast Guard were deployed to the southern section of the island where they intercepted a Vincentian vessel carrying twenty six (26) grams of cannabis. Seven arrests were made during this operation.

## **DETAINED VESSEL**



ONDCP officers deployed to the V.C.Bird International Airport, intercepted drugs in transit from Jamaica. A brown box with twenty four (24) "Jamaica Sun Ackee" cans was found containing cannabis amounting to 23.21 lbs.



#### LUGGAGE AND HIDDEN CASH

ONDCP officers arrested a passenger arriving on board a United Airlines flight from Newark International Airport, after a search revealed the individual to be carrying an undeclared sum - US \$13,000 cash.



#### SEIZED CASH



ONDCP officers were deployed to the St. John's City area, where they intercepted two (2) vehicles, which led to the discovery of 18 bricks of cocaine in 2 duffle bags, a 25 caliber pistol and 6 rounds of ammunition. A further search conducted at the residence of one of the perpetrators revealed an additional brick of cocaine.

#### SEIZED COCAINE, FIREARM AND AMMUNITION



## LUGGAGE AND HIDDEN CASH

ONDCP, supported by the Antigua and Barbuda Defense Force Coast Guard, conducted an operation on the southern section of the island, successfully arresting two individuals and seizing 341.88 lbs cannabis.



The ONDCP conducted an operation on the eastern section of the island, successfully seizing 285.78 lbs of compressed cannabis, 4 matured cannabis plants and 181 seedlings.

#### CANNABIS SEEDLINGS

#### MATURED CANNABIS PLANTS



#### **COMPRESSED CANNABIS**



ONDCP Officers deployed in the Fort Road area intercepted two (2) vehicles and confiscated a black plastic bag containing cocaine and cannabis. Eighty five (85) rounds of ammunition were also discovered at the home of one of the perpetrators.

#### COCAINE AND CANNABIS



## Drug Seizures for the period 1st January 2013 to 30th December 2013

Table 13		
Amount of Seizures in 2013	Estimated Value	ARRESTS
657.8 Cannabis	\$7,794,520.00 (estimated retail value)	18
22.3kg Cocaine	\$787,629.31 (estimated wholesale value)	
\$13,000.00US cash		
25 caliber pistol		
6 rounds of ammunition		

Major Operations Conducted during the period 2007 through 2013

Table	14				
Year	No. of ops	No. of Persons Arrested	Cash Seizure (EC)	<u>Drugs Seized</u> Cannabis Cocaine	<u>Value of Drugs Seized</u> Cannabis Cocaine
2007	6	28		6,824 lbs 5.62 Kilos	\$10,200,000.00 \$1,137,891.00
2008	11	24		1,438 lbs 16 kilos	\$2,159,800.00 \$570,679.00
2009	6	24		1,859 lbs 3.7 kilos	\$8,918,680.00 \$130,682.89
2010	7	15		24.94 lbs 988.05 kilos	\$119,620.80 \$139,264,028.29
2011	7	15	\$127,983.83	1854.48 lbs 169.65 kilos	\$7,417,733.20 \$23,976,948.42
2012	6	12		1701.7 lbs 5.3 kilos	\$5,530,520.00 \$163,749,42
2013	8	18	\$35,100.00	657.8lbs 22.3Kilos	\$1,948,260.00 \$787,629.31
Grand Total	51	136	\$163,083.83	14,360.44 lbs 1194.62 Kilos	\$36,294,614.00 \$166,031,426.33

VIEW OF ENGLISH HARBOUR AND NELSON'S DOCKYARD ANTIGUA



Chart 30

#### Chart 31



ANTIGUA AND BARBUDA SAILING WEEK REGATTA

53

RICHARD MILLE

NUAL REPORT



## **Partnerships**

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
   Defence 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
   System
- St. Lucia
- St. Vincent and the Grenadines
- St. Kitts and Nevis
- Montserrat
- Trinidad & Tobago
- Turks and Caicos
- Venezuela

## International

- Australia
- EGMONT
- Canada
  - o RCMP
  - o FINTRAC

USA

- o FBI
- o DEA
- o ICE

United Kingdom

- o NCA
- o ECFIAT



Each year the ONDCP reaches a step closer to achieving its Mission and Vision for the eradication of drug trafficking, money laundering and terrorist financing. However, we believe that if given the required resources we will be able to achieve greater results. Nevertheless, year after year, we press on utilizing the resources available, with a keen frame of mind that "where there is a will there is a way". The agency will continue its efforts to disrupt organized crime associated with drug trafficking, money laundering and the financing of terrorism. It is the Director's expectation that in the near future there will be enhanced efficiency, improved professionalism and more effectiveness in the execution of the duties by the agency.

Over the past seven years the ONDCP has successfully eradicated over 14,000 lbs of cannabis and over a 1.19 tons or over 2,632 lbs of cocaine from the streets and territorial waters of Antigua and Barbuda. It is envisaged that in 2014 the organization will continue to pursue its mandated duties to the nation and continue to partner with national, regional and international law enforcement agencies.

The establishment of the FCU has led to offsite and onsite inspection of financial institutions but the requirement to adequately supervise over 200 of these entities requires additional qualified persons.

In 2013 this situation was rectified to some degree, but the acquisition of the requisite level of staffing is still a work in progress. 2014 should see a continued effort to this end to assist with improved AML/CFT supervision. It is worth noting that the statistics show an improvement over the year in the quality of the reports being submitted by financial institutions; this is due in part to the increased number of training sessions being presented by the organization.

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 unwavering commitment and efforts of the members of the ONDCP who assisted in the years before and during this year's accomplishments. The Director expresses his appreciation for having been given the opportunity to lead a group of dedicated officers and members, whose contributions have made this organization more efficient, earned and gained the respect of the society, and have assisted in the growth of a more professional organization. May God continue to protect the dedicated men and women of the ONDCP as they engage in efforts to fight organized crime.

## Trafficking in women as night club entertainers and for sexual exploitation.

The owner of a "Night Club" solicits the services of young women (generally non-nationals) to perform in the night club with offers of airfare, accommodation, free meals and a nightly wage. Upon arrival, their travel documents are held by the traffickers.

The women are then assigned entertainment duties at the "Night Club" and informed that they are required to contribute towards the reimbursement of their airfare, and the cost of their accommodation and meals. Not having the means to meet these contributions, the women are encouraged and effectively coerced into prostitution.

Due to the cash intensive nature of the business, regular unusual large cash deposits are made to the "Night Club's" bank account.



## Money laundering indicators

• Deposits generally consist of a multiple currencies (Euro, US & EC dollars).

• Regular wire transfers to women in other countries.

• The volume and level of activity on the accounts do not appear to be consistent with industry standards for the type of business involved.

## Fraud – Abuse of Law Firm for Debt Collection

A Law Firm in Antigua receives a call from an individual who claims to be an international financier in the USA.

He claims that he has a client in Antigua who owes him a large sum of money and he has been unable to collect on the debt.

He wishes to utilize the services of a law firm in Antigua to institute legal action towards collection of the debt. The debtor is said to be a well-known company in Antigua. Discussions continue as to the amount of the debt, the legal costs and best course of action for collection is agreed.

The next day the law firm receives a call from an individual purporting to be a representative for the debtor company. He states that the company does not wish to get into legal debt collection proceedings and would like to make arrangements to settle the matter out of court.

He says he will be arranging for the company's office in the USA to send a cheque to cover 25% of the debt and will arrange for regular monthly payments in settlement of the balance.

Within 2 days the law firm receives a cheque for US\$20,000 from the debtor's USA office and deposits the cheque to their "Client Account". Before the law firm can contact the "Financier", he calls and requests that the funds less cost be wired to his Canadian bank.

The law firm's bank later returns the cheque as having been dishonoured (unpaid). The law firm is left to repay the bank the amount it instructed the bank to disburse to the "Financier".

## Use of New or Developing Technologies

An individual in Eastern Caribbean Currency Country "A" opens an account at a commercial bank (Bank X) which has branches in several other Eastern Caribbean Currency (ECC) countries.

Deposits are then made to the account at branches of Bank X located in ECC Country B and ECC Country C by individuals having no apparent link to the account holder.

The deposits are regular but not large and consequently no questions are asked.....until.....

the balance on the account reaches an amount in the high six figures.



#### Money Laundering indicators

• Smurfing - A commonly used money laundering method involving the use of multiple individuals and/ or multiple transactions for making cash deposits below the threshold for mandatory source of funds declarations. The transactions when aggregated reach the threshold level or are of an amount sufficient to attract attention or create suspicion.





# **HEADQUARTERS**

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