

PTAKING THE PROFIT OUT OF CRIME



GUIDING VALUES

Loyalty Accountability Professionalism Integrity Objectivity

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LETTER TO THE PRIME MINISTER



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Office of National Drug and Money Laundering Control Policy Camp Blizard Fax: P.O. Box W827 St. Georges ANTIGUA

14th July 2016

Hon. Gaston Browne Prime Minister Office of the Prime Minister Queen Elizabeth Highway St. John's

Dear Prime Minister

ONDCP ANNUAL REPORT 2015/2016

I am pleased to submit the 2015/2016 Annual Report which gives an account of the activities of the Office of National Drug and Money Laundering Control Policy (ONDCP) in the execution of its functions throughout the reporting period. This report is submitted in accordance with Section 4 (3) of the ONDCP Act 2003. It highlights the collective efforts of the officers and members of the agency against drug trafficking, money laundering and organized crime.

Yours truly,

Edward Croft, CMG, OBE, CAMS

Lt Col Director

DIRECTORS MESSAGE

The ONDCP celebrated its 20th Anniversary in 2016, thirteen years of which has been as an independent law-enforcement agency. The agency commenced service as Antigua and Barbuda's specialist law enforcement agency for combating money laundering, large scale drug trafficking and organized crime, and as the country's national Financial Intelligence Unit.

This is indeed a time to celebrate and reflect for many reasons. Despite many challenges and changes experienced over the years we have persevered and it has been a pleasure and remarkable effort in fulfilling our mandate of eradicating transnational drug trafficking, money laundering and the financing of terrorism. It was Margaret Chase Smith who said "public service must be more than doing a job efficiently and honestly. It must be a complete dedication to the people and to the nation".

I wish to sincerely thank the extraordinary men and women of the agency for their unwavering commitment to the agency and to our partners who have helped in making our successes a reality throughout these twenty years. The agency has grown from strength to strength and have evolved from a small two room space at the Multi-Purpose center in 1996, staffed with 3 persons to now an organization of over 50 persons in a building located at Camp Blizard. I wish to thank the Prime Minister and the government for their unwavering support which has contributed to the continued strengthening of the agency. I also wish to recognize our former Prime Minister, Sir Lester Bryant Bird for his vision and leadership in establishing the ONDCP in its special configuration which is unique within the region. Let me also recognize and express appreciation to both former Directors, Wrenford Ferrance and the late Alec Vanderpoole for their leadership and contribution to the development of the agency.

The events of 2015 and 2016 have dramatically highlighted the capacity of the ONDCP in successfully ensuring the safety and soundness of Antiqua and Barbuda through its crime fighting activities. Antiqua and Barbuda and by extension the countries within the Caribbean region now find themselves facing some of the most challenging circumstances experienced in the past decades. These challenges come in two particular forms.

A 2015 World Bank study revealed that the Caribbean appeared to be the region most severely affected by derisking. International "correspondent" banks have either ceased to offer their services or have restricted the type of services offered to a number of domestic "respondent" banks in the region in the last four years. While the derisking may not have resulted directly from AML/CFT issues, many large international banks consider their business with the region as either high risk or unprofitable. Countries now face a particularly difficult challenge on both a singular and collective basis. Given the size of Antigua and Barbuda's economy compared to the developed nations, it is clear that external flows are critical to the development of the financial economy and the overall sustainability of the country.

Despite the resources invested in anti-money laundering



efforts by Antigua and Barbuda, and the small size of currency transactions emanating from the jurisdiction, Antigua and Barbuda, which is a country that, as confirmed by the FATF and the CFATF, has made and is continuing to make very significant steps in improving its anti-money laundering infrastructure, and committed resources to the fight against money laundering. Despite these challenges I am pleased to present this annual report highlighting the accomplishments and challenges of the agency during the reporting period of 2015 and 2016.

Officers and Members of the organization were continually provided with the opportunity to attend various training courses and workshops, nationally, regionally and internationally to ensure that their skills are constantly being sharpened, retooled and updated.

During the period of the report the ondcp saw an increase of eleven members of staff. There is room for improvement in the existing financial arrangements since there exists some restrictions in the agency's ability to procure the necessary essential equipment, vehicles and uniforms. Despite these limitations, however the agency continues to function and make great strides in achieving its goals by maximizing the use of resources available.

The FIU received a cumulative total of five hundred and forty-three SARs for the period 2015 – 2016. Of this total, the unit recorded three hundred and nine SARs from reporting entities in 2015 and two hundred and thirty four SARs in 2016. The noted decrease of approximately 32% in 2016 is mainly attributed to the enhanced scrutiny of transactions by financial sector participants with particular emphasis on money laundering methods and trends. The FIU's analysis of SARs resulted in twenty-six disseminations in 2015 and thirty-four disseminations in 2016. Predicate offences involved included drug trafficking, fraud and tax evasion. The supervisory authority observed a significant increase in reports related to internet fraud schemes in 2015 and 2016. Other notable scams encountered were the Grandparent Scam, Mystery Shopper Scam and a Payment Re-Direction Scam.

To ensure that efforts to combat money laundering and terrorist financing were maintained to an international standard, the agency engaged several sectors through its training and outreach activities. Training provided for institutions focused on source of funds declarations, indicators and red flags of financial crimes and the various trends and typologies observed. Specialized training was provided for compliance officers and directors of financial institutions. Approximately six hundred and forty-seven persons from thirty-five reporting entities, across twelve sectors were trained. Ultimately, these sessions served to facilitate communication and information exchanges among entities within the sectors and provided feedback to the agency on regulatory and operational issues from a broader, collective standpoint.

The agency continues to provide AML/CFT supervision of financial institutions in its efforts to maintain a sound national economic structure. Through the conduct of offsite and onsite examinations the agency ensures that all financial institutions are effectively assessing and managing the ML/FT risks faced, to ensure that adequate mitigating has been implemented and to ensure compliance with all relevant statutory requirements. In 2015 twenty eight full scope onsite examinations were conducted, two of these onsite examinations were conducted jointly with the FSRC. There were seventeen examinations conducted in 2016 of which one was conducted jointly with FSRC.

During the first quarter of 2016, risk based approach to examination were introduced. As at the end of 2016 the FCU had conducted AML/CFT Examinations across nineteen sectors of the twenty-six categories of financial institutions listed in the MLPA First Schedule. The period 2015 - 2016 saw an increase in the number of Terrorist Property Reports (TPRs) submissions when compared to previous years. During 2015, the department received 339 reports, an increase of 10.4% over the previous year. 349 reports were received in 2016, an increase of 2.95% over 2015.

The ONDCP conducted counter narcotics operations which seized approximately 3,760 lbs of Cannabis and 50.15 kilos of Cocaine and disrupted 5,700 lbs of Cannabis and 220 kilos of cocaine respectively. The value of the narcotics had a combined estimated wholesale value of over EC\$36.496 million dollars.

There were nine cash seizures and three cash forfeitures amounting to approximately EC\$100,568.00. It is commendable that for 2015, the ONDCP successfully forfeited several million US dollars, and have deposited over US\$13 million dollars to the Accountant General in the Treasury of Antigua and Barbuda. Additionally, I am pleased to report that \$66.7 million U.S. dollars

has been forfeited to the Government of Antigua and Barbuda, as a result of the ONDCP successfully obtaining a declaration from the high court that funds held in certain accounts at an offshore bank account had been duly forfeited and that they were to be transferred to the government forfeiture fund.

The ondcp set legal precedent in successfully obtaining the first confiscation order in the amount of US\$30,000, and secondly, in successfully defending the constitutional challenge to the civil forfeiture provisions of the MLPA wherein the court rejected the propositions that the provisions of the act were to draconian and unconstitutional. These are significant milestones for the ONDCP and the precedent set have regional affect.

As the ONDCP looks forward to another 20 years of service to the nation it is my hope to increase the staff compliment to better enable the agency to be more efficient in its Intelligence gathering, financial analysis, supervision and prosecution efforts. We hope to secure an additional building to house the officers who have inadequate facilities such as interviewing rooms, operational communications, training rooms and storage facilities for exhibits.

As we move forward, our plans include the disposal of obsolete and non-functional equipment, procurement of protective equipment in keeping with the high risk activities undertaken by the officers and to facilitate more interoperability with other law enforcement agencies. Also on the agenda is the replacement and procurement of weapons and ammunition needed for the fight against transnational and organized crime along with establishing a small canine unit for the use in counter drug efforts.

In May, 2015 Antigua and Barbuda exited the Caribbean Financial Action Task Force (CFATF) follow-up process when the plenary recognized that the country had made significant progress in addressing the AML/CFT deficiencies identified in its 2008 Mutual Evaluation Report. The agency was one of the country's organisations at the forefront of preparing the country to undergo the FATF 4th Round Mutual Evaluation which focus on demonstrating that the country understands its Money Laundering and Terrorism Financing Risks as well as demonstrating effectiveness in implementing counter measures to those identified risks, plus examining whether necessary laws and policies were in place.

The ONDCP had a good year and continues its fight against drug trafficking, money laundering, financing of terrorism and transnational organized crime.

CONGRATULATORY MESSAGES



Government Of Antigua & Barbuda Office Of The Prime Minister



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CONGRATULATORY MESSAGE

The Office of National Drug and Money Laundering Control Policy (ONDCP) receives the highest applause which my administration can direct to a most important crime –fighting department in the Government's service. The ONDCP is a lean and effective body which has earned the trust invested in its 20 years ago, when its need became very apparent.

The great civilization of the Americas, in which Antigua and Barbuda claims membership, is threatened by criminal elements; their reliance upon the sale of drugs, the use of violence and, the unlawful infiltration of the global banking systems, undermine the faith in anti-crime efforts. Those involved in the illicit sale of narcotics and psychotropic substances have built sophisticated networks that corrupt legitimate institutions and individuals.

The ONDCP is tasked with ferreting-out anyone who may be tempted to engage those criminals for personal gain. Its record of drug hauls, cash confiscated, criminals apprehended, and convictions secured are the reasons for heaping applause and praise on it. The ONDCP has performed its function exceedingly well for two continuous decades.

My administration is of the view that "leadership matters". In every complex undertaking, the quality of leadership will ultimately determine the level of performance. The ONDCP has been fortunate to have attracted very competent leadership during its 20- year lifetime. I applaud the ONDCP for remaining a trusted arm of law-enforcement, because its impeccable leadership, at every level, has brought it great success.

On behalf of the Government and people of Antigua and Barbuda, I join in celebrating twenty successful years of crime-fighting and superb leadership by the ONDCP. May the many successes be repeated this body in the decades ahead.

Hon. Gaston Browne Prime Minister



Hon. Sir Lester Bryant Bird KHN Senior Minister Advisor to the Prime Minister (on Ministerial Matters)



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Message from Prime Minister Emeritus

The Office of National Drug and Money Laundering Control Policy (ONDCP) has served our Nation, with distinction, since its creation twenty (20) years ago. As the Head of Government in 1996, I recognized that the law enforcement institutions in Antigua and Barbuda could not adequately address the growing challenge posed by sophisticated criminals. The need to create a new police agency with specialist skills became most apparent.

In 1996, two (2) years following my elevation to the Office of Prime Minister, I took to Parliament the Money laundering (Prevention) Act, a far seeing of legislation that would empower the ondcp in taking the profits out of the importation, transit or sale of illicit drugs, and to reduce or to eliminate the laundering of illicit profits through the banking system which is designed for lawful trade. In November 2001, Antigua and Barbuda became one of the first countries in the world, outside of the USA, to pass counter terrorist financing legislation. It must be noted that the ONDCP played a major role in giving effect to this Prevention of Terrorism Act 2001. The success and growing maturity of the ONDCP with its expanding operational capabilities eventually developed the need for it to be made a 'stand-alone' law enforcement agency, and in 2003 it was incorporated under the ONDCP Act 2003. The ONDCP os headquartered at Camp Blizzard, and the building has been constructed primarily from the forfeited proceeds of crime.

The history of success of this most important institution cannot be doubted—the quantity of drugs that it has intercepted, either destined for or passing through Antigua and Barbuda; the monies it has seized, the origin of which materialized from illicit trafficking and other illegal means; the convictions that it has successfully pursued of those who were involved in illicit activities—all attest to its success, which can aptly be described as a valiant struggle against unlawful drugs and illicit funds. Clearly, this is no mean achievement

Those involved in the unlawful trade will not relent, it seems, because there is a demand for narcotic and psychotropic substances. Our, country, like the other states of the Caribbean, is a geographical pathway for illicit drugs to North America and Europe – the preferred destination of these substances emanating from South America. Thus far, the ONDCP has been most effective. The challenges which it now faces are even greater since the wrongdoers continue to demonstrate endless reserves of creativity; they engage in a ceaseless arms race with law enforcement, who they monitor and strive to outdo with innovative technology, business, legal and operational tactics. These traffickers and launderers are more determined than ever to reap the financial benefits of their deadly and diabolical trade.

I thus congratulate the ONDCP and its leadership on this unprecedented performance over the years, and I continue to support its mandate. Twenty more years of success to the ONDCP!

Honourable Sir Lester Bryant Bird KNH Prime Minster Emeritus Senior Minister



Government of Antigua & Barbuda Minister of Legal Affairs, Public Safety & Labour



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To: The Officers and Members of the Office of National Drug and Money Laundering Control Policy

As Minister of Legal Affairs, Public Safety and Labour I am pleased to congratulate the Office of National Drug and Money Laundering Control Policy on its 20th Anniversary of operation.

The ONDCP has taken 20 years to build a sterling and durable reputation. It is evident that your guiding values of Loyalty, Accountability, Professionalism, Integrity and Objectivity have enabled your organization tobecome known as a World Class Professional Law Enforcement entity. In an era where positive ethical values are not principles adhered to by all, you have demonstrated that positive values still make an institution successful.

The ONDCP has achieved significant success in inculcating national and institutional awareness of the international standards for a sound and robust Anti-Money Laundering and Counter Financing of Terrorism National Framework; a framework on which the Government and Civil Society can build eminent goodwill for the establishment of sound national economic structure.

Your successes in the area of Counter Drug Operations has served to remove millions of dollars' worth of illicit drugs from our streets, drugs which could have destroyed the minds of our vulnerable youth, the next generation of young minds which are a critical necessity in nation building. Your examination of Financial Institutions and Designated Non- Financial Business and Professions have significantly strengthened national AML/CFT awareness and improved compliance functions.

Congratulations to you for 20 years of success, you have always tried to provide the best and your efforts are deeply appreciated. I hope your successes of the past 20 years continue for the future and also hope that the ONDCP will attain new heights of accomplishment in the coming years.

Hon Steadroy C.O Benjamin Attorney General and Minister of Legal Affairs, Public Safety and Labour

Hon. Winston Baldwin Spencer

Leader of the Parliamentary Opposition P. O. Box 940 St. John's Antigua Tel Nos. 736-9000/ 461-4657



Lt. Col. Edward Croft
Director
Office of National Drug & Money Laundering
Control Policy (ONDCP)
Camp Blizzard
St. George's
Antiqua W.I.

Dear Col. Croft,

I consider it a distinct honor and privilege in my capacity as immediate past Prime Minister and current Leader of Her Majesty's Parliamentary Opposition and indeed as a national of Antigua and Barbuda, to extend heartiest Congratulations to you and the Institution for twenty (20) years of dedicated and exemplary service to the nation of Antigua and Barbuda.

The ONDCP over the years have demonstrated that it is among the top agencies in the prevention, detection and control of Criminal and Illegal activity in and around the shores of Antigua an Barbuda and in protecting our borders.

Kudos are, therefore, in order to the leadership, the other ranks and Staff of the ONDCP for a job well done. May this level of success over the past twenty (20) years, be the driving force to propel you to ever reater achievements in the future.

Respectfully yours,

Hon. Winston Baldwin Spencer, M.P. Leader of the Parliamentary Opposition

The Royal Police Force of Antigua & Barbuda Office of Strategic Communications

The Office of National Drug & Money Laundering Control Policy Antigua & Barbuda



Congratulatory Remarks by the Commissioner of Police To ONDCP on their 20th Anniversary

An organization celebrating two decades or more of existence must be highly commended. The Office of National Drugs Control and Money Laundering Policy (ONDCP) have continually demonstrated its commitment to the security of our nation, by addressing issues of Drug Trafficking, Money Laundering and related matters.

As Commissioner of Police of the Royal Police Force of Antigua and Barbuda, I am particularly pleased to offer congratulatory remarks to the Director of ONDCP and his team, on the celebration of your 20th Anniversary. I further wish to place on record, my administration's unwavering support to ONDCP for the next 20 years and beyond. Over the years, my administration have come to enjoy the close working relationship we shared; especially in tackling matters concerning drug trafficking, money laundering and the likes.

It is often said that the road to continued success is never an easy one; and I am quite sure that you too, like many others, would have encountered your fair share of challenges. I therefore encourage you to steer the course and remain focused on the tasks ahead; as we continue partnering with you on the journey towards making Antigua and Barbuda a safe and economically friendly country. Heartiest Congratulations, and may God continue to Bless you always!

Wendel G. Robinson Esq C.P.A, ASc, L.L.B (Hons), L.L.M. (Hons), L.P.C **Commissioner of Police**



Lt. Col. Edward Croft Director of ONDCP Camp Blizzard St. George's **Antigua**

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Dear Col. Croft,

We the Officers and Other Ranks of the Antigua and Barbuda Defence Force on this the occasion of the 20th Anniversary of the Office of National Drugs and Money Laundering Control Policy (ONDCP), wish to express heartfelt congratulations to the past and present members of the ONDCP, notably its dedicated leadership, on the achievement of two decades of successful service to the Nation of Antigua and Barbuda.

The ONDCP has established itself as one of the pillars of the Security architecture of the twin island state of Antiqua and Barbuda and we look forward to the harmonious working relationship which we presently enjoy.

Once again congratulations on your 20th anniversary and a job well done.

Sir Trevor A. Thomas Colonel **Chief of Defence Staff Antigua & Barbuda Defence Force**





Government of Antigua & Barbuda Antigua & Barbuda Immigration Department

Long & Thames Street St. John's Antigua Tel: (268) 562-1387

Fax: (268) 562-1388

Dear, Col. Croft,

Congratulations to the Office of National Drug and Money Laundering Control Policy, the ONDCP on its 20th anniversary from the Department of Immigration. This is a tremendous milestone and accomplishment by the ONDCP which is well deserving of recognition.

As a law enforcement agency tasked with the mandate of protecting our borders, the Department of Immigration recognizes the need to work with the ONDCP and its other partners as we try to achieve that one common goal of maintaining law and order. The ONDCP has always been supportive to the Department of Immigration and for this the management and the staff of the Department of Immigration say a heartfelt thank you.

On a personal note, the ONDCP will always be dear to my heart having been part of the organization myself. I wish the Director, management and the staff of the ONDCP all the best and continued success in the future.

Annette Mark
Chief Immigration Officer
Antiqua and Barbuda Immigration Department

Embassy of the United States of America Office of International Narcotics and Law Enforcement Affairs

The Office of National Drug & Money Laundering Control Policy Antigua & Barbuda



Dear Colleagues of the Office of National Drug and Money Laundering Control Policy:

The Office of International Narcotics and Law Enforcement Affairs at the United States Embassy in Bridgetown extends its congratulations to the Office of National Drug and Money Laundering Control Policy (ONDCP) of Antigua and Barbuda on the occasion of its 20th anniversary. In particular, we congratulate its Director, Lieutenant Colonel Edward Croft.

With its commitment and long-term vision ONDCP has proven time and again that it is an outstanding partner in fighting crime on numerous levels. ONDCP's professionals collaborate with many of the U.S. Government's law enforcement money laundering efforts in the region while working in an increasingly challenging environment. INL Bridgetown supports and will continue supporting ONDCP's hard work and dedication in the future.

We wish you every success in the years to come!

Drew G. Blakeney
Director
International Narcotics and Law
Enforcement Affairs
U.S. Embassy Bridgetown

Lt. Col Edwards Croft
Director
Office of National Drug & Money
Laundering Control Policy



20th Anniversary Congratulatory Remarks

Dear Col. Croft,

The Financial Services Regulatory Commission ("the Commission") extends our heartiest congratulations to the Office of National Drug and Money Laundering Control Policy ("ONDCP") for completing 20 years of yeoman service in your bid to combat illegal narcotics, money laundering and terrorism financing within the jurisdiction of Antigua and Barbuda.

As the AML/CFT Supervisory Authority within the jurisdiction, with such an essential mandate, institutions like yours with a brilliant team of dedicated workers can only aim for exceptional results. The Commission in carrying out its regulatory and supervisory oversight has considered it a real honour to work with the team from the ONDCP.

Your institution's commitment to the jurisdiction over the years in ensuring that we have a robust anti- the integrity and reputation of Antigua and Barbuda as a financial centre within the Eastern Caribbean Currency money laundering and counter the financing of terrorism framework would have assisted in safeguarding Union. Through your efforts, the ON DCP has ensured a strong legal and regulatory framework on AML and CFT exist in Antigua and Barbuda, consistent with international standards.

We wish you all the success for many more years to come and we hope to continue in our joint efforts to safeguarding the financial services sector in Antigua and Barbuda. Again we say Congratulations!

Brenda Sheppard
Chief Executive Officer
Financial Services Regulatory Commission

LIAISON OFFICER OF ROYAL CANADIAN MOUNTED POLICE ALAIN DALLAIRE

The Office of National Drug & Money Laundering Control Policy Antigua & Barbuda

Dear Col Croft,

It is with great pleasure that I wish to congratulate the ONDCP on 20 years of achievements. This anniversary is a milestone to celebrate and the opportunity to set new goals. The Royal Canadian Mounted Police (RCMP) is proud to be a partner of the ONDCP. The accomplishments we have achieved together over the years, is a tribute to our mutual goal of keeping our respective citizens safe. With this success, comes greater opportunities and challenges.

I am confident that we will together, continue to succeed.

Alain Dallaire RCMP Liaison Officer T&T

CARICOM Implementation Agency for Crime and Security (IMPACS) #19 Keate Street, Port of Spain REPUBLIC OF TRINIDAD AND TOBAGO



Dear Col. Croft,

The Executive Director of the CARICOM Implementation Agency for Crime and Security (IMPACS) Mr. Francis Forbes on behalf of the Management and Staff takes great pleasure in congratulating the Office of National Drug and Money Laundering Control Policy (ONDCP) on this memorable occasion, commemorating its twentieth (20th) year of sterling service to the Government and people of Antiqua and Barbuda and by extension the Caribbean Community (CARICOM)

Particular mention must also be made of the stellar contribution made by its Director, Lt. Col. Edward Croft for his strategic leadership, guidance and expertise in ensuring that the interests of the Members of the Organization of Eastern Caribbean States (OECS) were considered as CARICOM worked with the Dominican Republic and the United States of America towards the advancement of the Caribbean Basin Security Initiative (CBSI).

IMPACS is the nerve center of the regional management framework for crime and security for CARICOM. A critical part of this framework addresses intelligence and the inputs from the ONDCP were instrumental in crafting the CARICOM Management Framework for Intelligence, hence the Region continues to benefit from the ongoing collaborations between both Agencies.

CARICOM IMPACS looks forward to maintaining this close working relationship with the ONDCP as we collectively address new and emerging threats associated with trans-national organized crime, terrorism and cyber security to name a few with a view to ensuring the sustainable safety and security of all the citizens, residents and visitors to the Region.

Once again heartiest congratulations to Lt. Col Croft and his Staff on a job well done.

CARICOM Implementation Agency for Crime and Security IMPACS
REPUBLIC OF TRINIDAD AND TOBAGO

Edward Croft
Lieutenant Colonel
Director, ONDCP
Office of National Drug & Money
Laundering Control Policy



Government of The Republic of Trinidad and Tobago

Dear, Mr. Croft

20th Anniversary Congratulatory Remarks

The Financial Intelligence Unit of Trinidad and Tobago (the FIUTT) extends heartiest congratulations to the Office of National Drug and Money Laundering Control Policy (ONDCP) for completing 20 years of successful service to the people of Antigua and Barbuda.

Over the years the ONDCP has been a supportive partner in regional efforts to combat money laundering, financing of terrorism and related crimes. The ONDCP has actively supported the work of regional FIUs through the sharing of its knowledge, wealth and experience and has attained an eminent position of leadership in the region.

We look forward to continuing collaboration with the ONDCP and further strengthening of our mutually beneficial relationship. We are sure that the ONDCP will continue its journey of success for many more years to come under the sterling leadership and vision of Director Croft.

The Director and staff of the FIUTT wish the ONDCP all the best for your future.

Yours faithfully, Susan S. Francois Director Financial Intelligence Unit RSS- Asset Recovery Unit Fusion Centre Regional Security System HQ Paragon Christ Church Barbados



Dear Col. Croft,

The Regional Security System - Asset Recovery Unit (RSS ARU) extends our warm and sincere congratulations to the Office of National Drug and Money Laundering Control Policy (ONDCP) on completing 20 years of service to the nation and people of Antiqua and Barbuda.

The RSS ARU is an innovative approach to tackling serious organized crime and corruption in the region by utilizing cash and civil recovery powers, money laundering and confiscation legislation. The objective of the Unit is achieved through partnership with agencies such as the ONDCP in building the capacity and capability of law enforcement and criminal justice practitioners to facilitate a robust application of the proceeds of crime, money laundering and asset recovery legislation. The Unit is funded by the UK's Department for International Development (DFID) and provides services to Barbados and the Eastern Caribbean.

The RSS ARU commends the ONDCP, an important organ in the national security architecture, for its astute recognition that serious organised crime including drug trafficking, money laundering and other acquisitive offences are fuelled by the vast sums of money generated by these nefarious and destabilizing scourges on our society. The ONDCP has prudently acknowledged that the threat posed by serious organised crime must be managed through a comprehensive and multidimensional strategy of which financial investigations is a core pillar. In this regards, the ONDCP has effectively employed financial investigations over the last two decades to recover proceeds of serious organised crime and corruption. Through its various successes the ONDCP has sent a clear signal that any financial gain derived from illicit activities will be removed from the hands of the criminals.

We appreciate the opportunity to have partnered with the ONDCP and look forward to many more years of success as we work together to enhance citizen and national security. May the ONDCP continue to be at the forefront of the fight against serious organised crime and enhancing national security through financial investigations and asset recovery.

Your sincerely, Grenville Williams Director - RSS Asset Recovery Unit

"STRENGTH THROUGH UNITY"



ACRONYMS AND ABBREVIATIONS

ABDF	Antigua and Barbuda Defense Force	IRS	United States Inland Revenue Services
AML	Anti-Money Laundering	JRCC	Joint Regional Communications Centre
CCARP	Caribbean Criminal Asset Recovery Programme	LEA	Law enforcement Agency
CDD	Customer Due Diligence	LEO	Law Enforcement Office
CFATF	Caribbean Financial Action Task Force	LOR	Letter of Request
CFT	Counter Financing of Terrorism	ML	Money Laundering
CRCA	Caribbean Regional Compliance Association	MLPA	Money Laundering (Prevention) Act 1996
CSP	Company Service Provider	МО	Modus Operandi
DEA	United States Drug Enforcement	MOU	Memorandum of Understanding
	Administration	MSB	Money Services Business
DIU	Drug Intelligence Unit	NCA	National Crime Agency
ECCB	Eastern Caribbean Central Bank	NJCC	National Joint Coordination Centre
ECFIAT	Eastern Caribbean Financial Investigations Advisory Team	NRA	National Risk Assessment
FATF	Financial Action Task Force	OJT	On the Job Training
FBI	United States Federal Bureau of Investigations	ONDCP	Office of National Drug and Money Laundering Control Policy
FCU	Financial Compliance Unit	РТА	Prevention of Terrorism Act 2005
FINCEN	Financial Crimes Enforcement Network	RCMP	Royal Canadian Mounted Police
FINTRAC	Financial Transactions and Reports Analysis Centre of Canada	REDTRAC	Caribbean Regional Drug Law Enforcement Training Centre
FIU	Financial Intelligence Unit	RIFC	Regional Intelligence Fusion Centre
FSRC	Financial Services Regulatory Commission	RPFAB	Royal Police Force Antigua and Barbuda
FT	Financing of Terrorism	RSS ARU	Regional Security System Asset Recovery Unit
GIWR	Gaming Interactive Regulations	SAR	Suspicious Activity Report
ICE	United States Immigration and Customs Enforcement	SOCA	Serious Organized Crime Agency
ID	Investigations Department	TAST	Tactical & Surveillance Team
IT	Information Technology	TIP	Trafficking in Persons
IGIWR	Interactive Gaming and Interactive Wagering	TPR	Terrorist Property Report
	Regulations 2007	US	United States
IMPACS	Implementing-Agency-For-Crime-And-Security	USA	United States of America

THE ORGANIZATION - ONDCP

OVERVIEW

The Office of National Drug and Money Laundering Control Policy (ONDCP) was established as an administrative sub-unit of the Prime Minister's Ministry in 1996 with its sole purpose to enforce the provisions of the Money Laundering (Prevention) Act of 1996. Thereafter in 2003 the ONDCP Act was passed establishing the organization as an independent law enforcement agency with specific authority to investigate reports of suspicious activity concerning specified offences and the proceeds of crime.

The Director serves as the Supervisory Authority for financial institutions (under the MLPA) inclusive of the enforcement of Antiqua and Barbuda's Prevention of Terrorism Act and its anti-terrorism financing provisions. Additionally, the ONDCP fulfills the role as Antigua and Barbuda's primary counter narcotics investigation interdiction agency inclusive of the collection, development and dissemination of intelligence on drugs.

The functions of the organization are guided by:

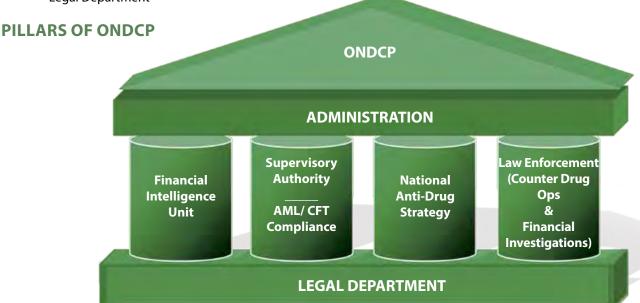
- The ONDCP Act 2003 (as amended)
- The Money Laundering Prevention Act 1996 (as amended)
- The Prevention of Terrorism Act 2005 (as amended)
- The Proceeds of Crime Act 1993 (as amended)
- The Misuse of Drugs Act 1992 (as amended)

The ONDCP's vision is to become the Caribbean's lead law enforcement agency combating illegal narcotics, money laundering and terrorism financing, while its mission is to eradicate transnational drug trafficking, money laundering and the financing of terrorism. To successfully accomplish this the agency will continue to draw on the best personnel from Antigua and Barbuda and the region, develop personnel through continuous assessment and structured training programs, work with other national stakeholders, regional and other overseas partners, by mounting combined operations and timely sharing of intelligence and collaborative training experiences among others. The guiding values are Integrity, Objectivity, Accountability, Professionalism and Loyalty.

The ONDCP comprises of several units/departments which contribute to the mandate:

- Administration Department
- Financial Intelligence Unit
- **Investigations Department**
- Financial Compliance Unit
- Drug Intelligence Unit
- Tactical & Surveillance Team





FORMER DIRECTORS



Mr. Wrenford Ferrance August 1996 - April 2004

Wrenford Ferrance who was one of the founding members of the ONDCP, served as Director from August 1996 to April 2004.

Wrenford Ferrance, a native Antiguan was tasked with the responsibility of creating an agency that was capable - equipped and specially trained - to counter the scourge of money laundering and the proceeds of crime as well as to ensure Antigua's compliance to the Financial Action Task Force (FATF) Recommendations.

Commissioned by former Prime Minister, Sir Lester Bird, Mr. Ferrance travelled to the United States and after consultations with the Drug Enforcement Agency, the Federal Bureau of Investigations and other US Law Enforcement Agencies, who advised government on how to establish an organization to implement FATF AML Standards. He was appointed as Special Advisor

to the Prime Minister on Drugs and Money Laundering (the Drug CZAR) and there after Office of National Drug Control Policy was established.

The organization was later renamed the Office of National Drug and Money Laundering Control Policy and on August 1st 1996, Mr. Ferrance was appointed as Director of the ONDCP.

Under Mr. Ferrance's leadership, the organization grew, and he made further appeals for technical assistance from the British Government who provided the organization with a Senior Customs Officer, Mr. Alan Reid, whose contribution proved vital to the future development of the ONDCP. He also sought assistance from the United Nations who responded by sending an expert on money laundering, Australian Lawyer, Mr. Clive Scott to advise on money laundering matters and to draft legislation, upgrading the MLPA and developing the ONDCP Act.

To offset the staffing issues, Mr. Ferrance utilized the secondment process to obtain trained personnel from other agencies such as the Customs Department, Immigration Department, the Royal Police Force of Antigua and Barbuda and the Antigua and Barbuda Defence Force.

Mr. Ferrance also recognizing the need for improved office facilities and having received the necessary governmental authorizations embarked on the construction of a building to house the ONDCP. Assistance was sought from the Canadian Government, United States Government, and the British Government and with the use of forfeited funds, the present ONDCP building was constructed and operationalized with no cost to the government of Antigua and Barbuda.

Major highlights of Mr. Ferrance's tenure came in Barbados when President Clinton, and Secretary of State Madeline Albright, singled him out and praised him for the good work the ONDCP was doing.

On the occasion of the ONDCP 20th Anniversary, Wrenford Ferrance expressed the view that "being the head of the ONDCP was very challenging as well as extremely rewarding and it was a very exciting time of my life. It makes me very proud to see the organization growing and even prouder that I was the architect and builder. It makes me happy to know that I was involved in the beginning of the ONDCP and I wish the Director and his staff another twenty years of success".



Mr. Alec Vanderpoole April 2004-January 2007

Alec Vanderpoole, an Antiquan, was a highly experience law enforcement officer, with skills acquired during his fifteen years in the Metropolitan Police Service in London, with eleven of those years being spent at Special Branch at Scotland Yard. He has also served in the Corps of Royal Engineers of the British Army and has worked as an airline security coordinator at London's Heathrow Airport.

Alec Vanderpoole was the son of Joseph Vanderpoole a former Senior Superintendent in the Royal Police Force of Antigua and Barbuda and former Commissioner of the Montserrat Police.

Alec Vanderpoole was a highly professional individual whose knowledge and skills were well suited for the fight against the war on drug trafficking and money laundering. On July 8th 2003, Alec Vanderpoole was appointed as Deputy Director of the ONDCP, shortly after returning home

to serve his country.

Alec Vanderpoole strove for excellence and had a commitment to bring about an Antigua and Barbuda that was free from the ravages of the drug trade and the crimes of violence associated with it. On the 1st September 2004, he was appointed director of the ONDCP and thereafter was appointed as the national security advisor.

He played a major role as a member of the CARICOM sub-committees on intelligence and information technology, during the preparations and hosting of Cricket World Cup.

Alec Vanderpoole, led and taught by example and was an in inspiration to the men and women who served under him. He carried out his functions remarkably well up until his untimely death on January 24th 2007 at the age of 46 years.

ADMINISTRATION

OVERVIEW

In 2016, the organization celebrated its 20th year of service to the nation of Antigua and Barbuda. To mark this accomplishment a week of activities were held over the period 14th to 19th November 2016.



The highlight of the week was the 20th Anniversary dinner where guests were graced by the presence of the Governor General Sir Rodney Williams, Prime Minister the Honourable Gaston Browne and the first Director of the ONDCP Mr. Wrenford Ferrance.

TRAINING AND DEVELOPMENT

The ONDCP places immense value on having a highly skilled and well trained cadre of individuals as part of its cache of armaments to combat drug trafficking, money laundering and terrorism financing. As such, members of staff are continually provided with the opportunity to attend various training courses and workshops, nationally, regionally and internationally to ensure that their skills are constantly being sharpened, retooled and updated.

The level of staff turnover continues to be a challenge to the organization as the knowledge, experience and skills acquired by members of the ONDCP are in high demand in the private sector where the compensation packages are much more attractive. It should be noted however that new persons were welcomed to the ONDCP's staff compliment and with the exception of the Legal Department, every other department of the organization received at least one additional person.

In 2016, over fifty percent of the staff to include persons from every department of the organization were recipients of various training and development opportunities. The continued training and development of the officers and members of the organization remain a key component of the operations as well as the successes of the ONDCP.

These are some of the training courses and workshops that were provided to staff members in 2015 and 2016:

- Civil Forfeiture Workshop
- Core Skills in Financial Investigations
- Training Conference on Civil Asset Recovery
- RSS Asset Recovery Unit Investigations Course
- The Caribbean Regional Meeting of Asset Recovery Practitioners
- Training programme on the Reid Technique of Interviewing and Interrogation
- The Government of Italy Training Course on Illicit Economy Financial Flows & Money Laundering
- CARICOM and Cuba Training Course on Illicit Economy, Financial Flows Investigations and Asset Recovery
- Jetway Training

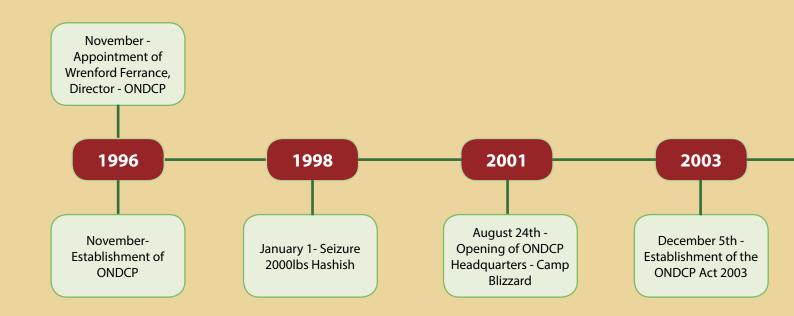
- ATF Caribbean Firearms Trafficking Workshop
- Regional Drug Commanders Training
- Narcotic Units Commanders Workshop
- 1st COPOLAD II Annual Meeting of National Drug Observatories
- 22nd Annual Caribbean Regional Drug Commanders Training Conference
- Training of Drug Inspectors & Stakeholders in Regulating Pharmacy Practice in Antigua and Barbuda
- Heads of FIU Meetings
- Workshop for Caribbean FIU's and AML/CFT Supervisory Authorities
- CFATF Assessor's Training
- The Caribbean Regional Compliance Conference 2015 & 2016
- AML/CFT 8th Annual Fraud and Financial Crimes Conference
- 4th Annual Caribbean & Americas Gaming Regulations Forum
- Drug Enforcement Administration (DEA) Commander's Course
- Regional Course in Strategic Counterdrug Intelligence
- The National Crime Agency Intelligence Exploitation
- The Trafficking in Persons (TIP) Course
- The Proceeds of Crime Practitioners Conference
- The Law Enforcement Leadership Development Program
- Maritime Intelligence Training
- Customer Service I Workshop
- Disaster Preparedness Workshop
- Fire Safety Workshop
- Empowerment Forum
- An Arms Trade Treaty Capacity Building Workshop
- CFATF XLIV Plenary and Working Groups Meeting
- SEACOP Maritime Conference
- Seminar on Strengthening of Maritime Intelligence
- Regional Workshop on Implementing a Standardized data collection system for drug and alcohol treatment agencies in the Caribbean
- ACT& HP Seminar Discovering the path to Agility
- The Cellebrite Cellular Forensics Course& Certification with Equipment Grant

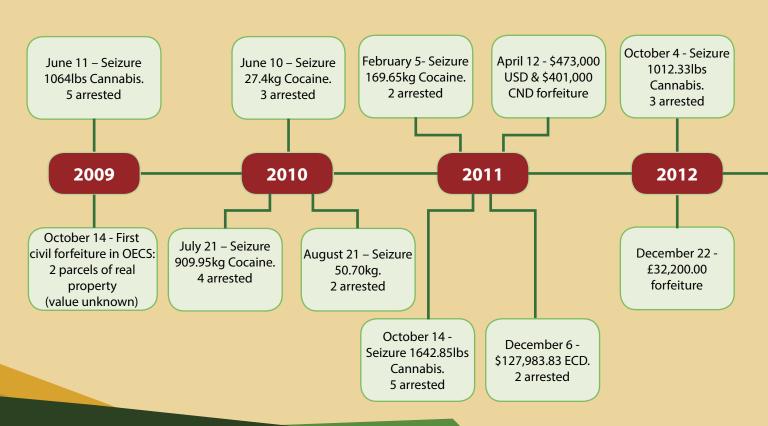
INFORMATION TECHNOLOGY

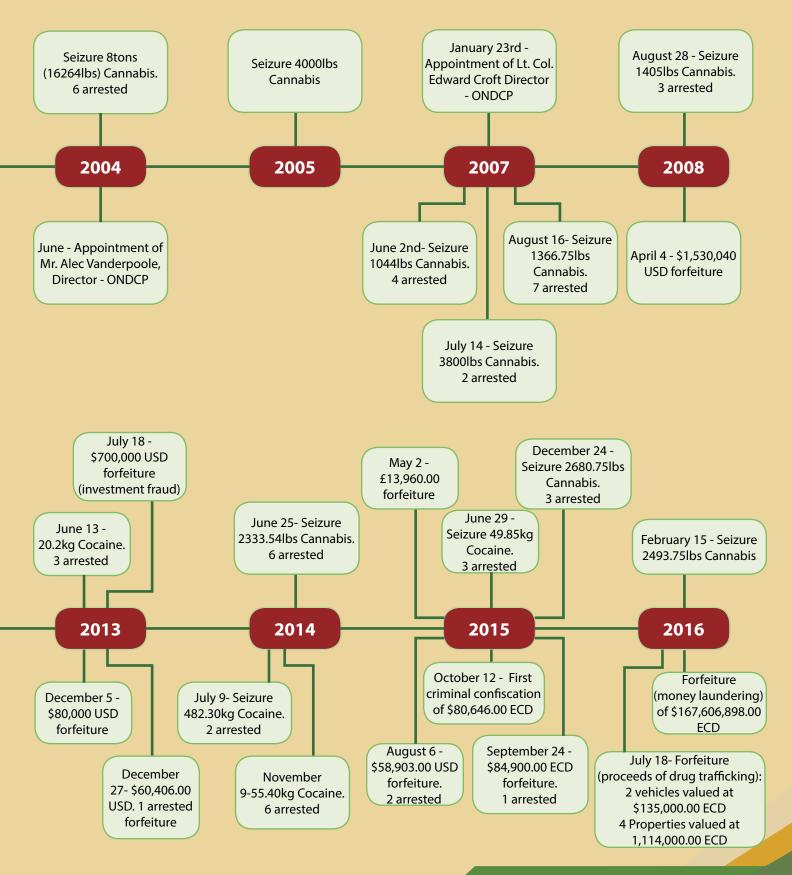
Over the period, the IT department installed a few PCs to replace aging ones throughout the organization. The agency's e-mail system was also updated and equipment was procured to enhance the storage capacity of the server. Giving us better capacity for faster and greater output.

In the upcoming year, the Administration will continue with its effort to recruit suitably qualified persons to compliment the staff and to strengthen the capacity of the agency to undertake the critical role it has in ensuring that the roles of law enforcement in tackling organized crime and AML/CFT supervision of the financial and non-financial business and professionals are adequately enforced.

ONDCP SIGNIFICANT ACHIEVEMENTS THROUGHOUT THE YEARS (PROJECTED TIMELINE)







FINANCIAL INTELLIGENCE ANALYSIS

GENERAL

The Financial Intelligence Unit (FIU) of the ONDCP examines disclosures made by institutions that have obligations under the Money Laundering (Prevention) Act 1996 to report any knowledge or suspicion of Money Laundering (ML) or Terrorism Financing (TF) to the Supervisory Authority. The unit serves as Antigua and Barbuda's central point of contact for financial intelligence in accordance with international FATF standards. The Unit performs its primary functions of receiving, analysing and disseminating information relating to disclosures of suspicious activities made by financial institutions and designated non-financial businesses and professions. The Unit employs tactical analysis procedures to process Suspicious Activity Reports (SARs) received from these institutions and develop intelligence of possible ML, TF or other serious offences. The intelligence is then disseminated to our Investigations Department or other relevant law enforcement agency for further investigation to conclude whether suspected transactions are linked to criminal offences such as drug trafficking, fraud, tax evasion and corruption which usually involve victims, violence and cause significant social degradation.

Other reports received by the FIU include Terrorist Property Reports (TPRs) which are submitted by reporting entities on a quarterly basis to advise the Supervisory Authority whether their institutions hold assets which are owned or controlled by specified terrorist entities. The Unit also receives threshold disclosures from internet gambling companies for payments made to players exceeding US\$25,000. In order to ensure that institutions remain complaint with reporting requirements, the FIU maintains contact with reporting entities through various outreach activities and training sessions maintain awareness of their legal and regulatory obligations as well as to highlight ML patterns, trends and typologies to which they may be vulnerable.

SUSPICIOUS ACTIVITY REPORTS (SARS)

As mandated by Section 13 of the Money Laundering (Prevention) Act (MLPA), financial institutions are required to pay special attention to complex, unusual or large business transactions, unusual patterns of transactions, and insignificant but periodic transactions which have no apparent economic or lawful purpose. Consequently, upon reasonable suspicion that a transaction or activity could constitute or be related to ML, the institution shall promptly report the suspicious transaction or activity to the Supervisory Authority.

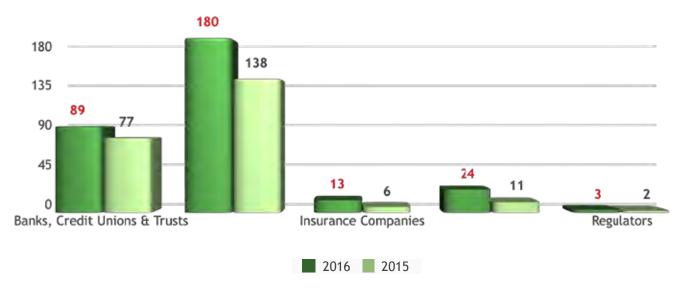
The FIU has received a cumulative total of five hundred and forty-three (543) SARs for the period 2015 – 2016. Of this total, the Unit recorded three hundred and nine (309) SARs from reporting entities in 2015 and two hundred and thirty four (234) SARs in 2016. Despite, the noted decrease of approximately 32% in 2016, in comparison to the number of reports received in 2015, the FIU continues to regard the high number of SARs submission to the department over the years mainly attributed to the enhanced scrutiny of transactions by financial sector participants with particular emphasis on ML methods and trends. It is for this reason, the FIU receives a significant number of defensive filings where the activity suspected, grounds for suspicion or suspicious activity indicators have not been identified or adequately explained.

Money Services Businesses (MSBs) continue to submit the highest number of SARs to the Unit with total disclosures of one hundred and eighty (180) and one hundred and thirty eight (138) for the years 2015 and 2016, respectively. This accounted for approximately 59% of total number of reports received by the Unit over the noted period and has surpassed the combined submissions of commercial and offshore banks, trust companies, credit unions and online gambling and insurance companies. Thus, MSBs remain a particular concern for the structuring and smurfing activities relating to the suspected proceeds of crime. Based on such heightened scrutiny, the Unit was urged to engage MSBs who were not reporting suspicious activities in 2015. As a result, the Unit has seen an increase in the 2016's submission by the MSBs with little or no reporting history.

As sophisticated Anti- Money Laundering (AML) systems and rigorous customer due diligence policies and procedures persist at traditional financial institutions, criminal elements seem less inclined to utilize these portals for the direct placement of illicit proceeds. As a result of this divergence, the one hundred and sixty- six (166) reports received in 2015 and 2016 from banks, credit unions and trusts fell by 13%, whereby the eighty nine (89) reports in 2015 submitted to the Unit decreased to seventy- seven (77) reports in 2016. Notwithstanding this observation, over the years, the banking sector is recognized as the gateway for the highest value of illicit funds reported to the Unit.

Reports from the online gambling sector had a total of twenty-four (24) reports in 2015 and eleven (11) reports in 2016 contributing to a 46% decrease in a comparisons of both years. Activities reported were mainly characterized as fraud and involved wagering activity using unauthorized credit cards with the value no greater than US\$2,200.

Comparison of Suspicious Activity Reports by Sector 2015 - 2016:



SARS AND ACTION TAKEN

Of the three hundred and nine (309) SARs received in 2015, seventy- five (75) (24%) of the reports filed are still being analysed to determine if the subjects and activities present any links to criminal elements. Accordingly, forty– four (44) of the two hundred and thirty four (234) SARs received by the Unit in 2016 are subject to the same process. After analysis, ninety-two (92) (30%) of the 2015 and seventy – seven (77) (32%) of 2016's reports have resulted in inconclusive determinations and thus have been filed for intelligence purposes. This total is partially attributed to SARs that are filed to mitigate potential regulatory scrutiny resulting from inadequate due diligence procedures employed by the institution. Guidance and feedback is continuously provided to encourage entities to adopt more effective SAR reporting procedures.

Suspicious Activity Reports and Action Taken Statistics 2015 - 2016:

	SARS and ACTION TAKEN						
YEAR	SARs Received	To Be Analysed	SARs Under Analysis	SARs Being Monitored	SARs	Pending	SARs Filed for Intelligence
2015	309	66	75	34	26	16	92
2016	234				34		

DISSEMINATIONS

Disseminating financial intelligence is a principal function of the FIU. This financial intelligence enables our law enforcement partners to investigate schedule ML and TF offences and provides a basis for the prosecution of individuals and the restraint and forfeiture of assets. The FIU's analysis of SARs resulted in twenty- six (26) disseminations in 2015 and thirty-four (34) disseminations in 2016 being referred for investigations. Predicate Offences referred included drug trafficking, fraud and tax evasion. Of particular note, the FIU's 2015 and 2016 disseminations led to the identification of networks of individuals suspected to be involved in drug trafficking, the arrest of certain individuals involved in a cyber-fraud scheme and the seizure of funds derived from the activity in Antigua and Barbuda.

CYBERCRIME

The FIU observed a significant increase in reports related internet fraud schemes in 2015 and 2016. The Unit conducted strategic analysis on these reports and published typologies relating to the various scams. These include: phishing and account takeover schemes, payment redirection scams, mystery shopper and grandparent scams.

Typologies of various scams detected by the unit are outlined below.

Email Scam

- Bank receives email from customer requesting a wire transfer.
- Attached are all relevant forms that bear the account holder's correct signature.
- The bank conducts the transfer and is later informed by the customer they did not send the email
- After inspection, it was revealed that the email originated from a variation of the client's legitimate email address.
- For example johnsmith@xyz.com substituted for john.smith@xyz.com

Grandparent Scam

- A grandparent receives a phone call on behalf of a "grandchild" who is either a visitor to the island or is an international student at a local educational institution.
- The grandparent is advised that the grandchild has gotten into a serious car accident and needs money wired ASAP
- Since the grandchild is at the hospital and unable to collect the money, instructions are given for the funds to be wired to a third party.
- Fraudster then collects the money long before the grandparent realizes he/she has been conned.

Account Takeover/Phishing/Secret Shopper Scam

- Jane Smith receives an email from customer.service@abcbank.com asking her to click on an attached link to log
 into and reactivate her online banking account.
- The email customer.service@abcbank.com is a fake address created by Joe Pine and the link redirects Jane to a fake website which Joe uses to collect her online banking ID and password and takes over her account.
- Using his Facebook account, Joe profiles and contacts Mary Dean and offers her a job as mystery shopper which requires her to pose as a customer of a money transfer business and to use and evaluate their services.
- Joe requests Mary's banking details and informs her that a deposit will be made to her accounts to carry out the "mystery shopping" job. She is to keep 10% of the deposit as payment and carry out the job with the balance. Joe then provides Mary with beneficiary information for the funds transfer.
- With the stolen log in information, Joe accesses Jane's account and transfers \$15,000 to Mary.
- Mary takes her portion of the proceeds and send the balance to the name provided by Joe.

Payment Re-Direction Scam

ABC Business notifies customer John via email of an invoice for payment by John upon completion of services or product transaction. Using a variation of the Business email, instructions are sent to customer John by the scammer to remit payment to another account, whose particulars are noted within the email. Customer John then makes payment to the falsified account. Once discovered a payment has not been made to ABC business by customer John, it is usually too late to stop or recover the funds from going to the fake account. As a result, the business loses money.

The FIU has published several advisories to make the public aware of these scams and have also engaged in outreach activities so that reporting entities can prevent, detect, report and deter criminals from pursuing such schemes.

TRAINING AND FINANCIAL SECTOR OUTREACH

The FIU currently supervises and is mandated to receive reports from entities across twenty-six (26) sectors including banking and other financial institutions such as insurance and trust companies to non-financial entities including automobile dealerships, travel agents, jewelry and real property businesses. The Unit, though small, has continued to engage reporting entities to encourage their compliance with their regulatory obligations.

To ensure that efforts to combat ML and TF were maintained to an international standard, the FIU engaged several sectors. Within the local banking sector, the FIU delivered training, inclusive of members on the board of directors, on financial crimes and the various trends and typologies observed by the Unit. Other training content which was stressed in our outreach included Source of Funds declarations which remains a problematic issue for staff at many institutions. In recognizing the high risk of particular sectors, to include the offshore banking, internet gaming and MSBs, the FIU made several training presentations in 2015 and 2016. Wherein, the Unit provided specialized training to the compliance officers of the MSBs and trained the entire insurance sector in Antigua and Barbuda. In total, the FIU trained approximately six hundred and forty-seven (647) persons from thirty-five (35) reporting entities, across twelve (12) sectors. Of this cumulative total, two hundred and fourteen (214) represents the number of

persons trained in 2015 from ten (10) reporting entities, across five (5) sectors. While in 2016, four hundred and thirty-three (433) persons were trained from twenty-five (25) reporting entities across seven (7) sectors.

Ultimately, these sessions served to facilitate communication and information exchanges among entities within the sectors and provided feedback to the Unit on regulatory and operational issues from a broader, collective standpoint.

UN SECURITY COUNCIL WATCH LIST

The FIU maintains a supporting role and coordinates with the Attorney General's Office and the Ministry of Foreign Affairs in disseminating Orders made by the United Nations Security Council in relation to the listing and de-listing of specified terrorist entities to financial institutions. In 2015 the Unit disseminated thirty-four (34) Orders to financial institutions detailing the addition of (39) entities, the amendment of thirty (30) entities and the deletion of twenty-two (22) entities to the United Nations Security Council's list of designated terrorist entities. For 2016, the unit processed twenty-five (25) Orders detailing the addition of 19 entities, amendment of twenty (20) entities and deletion of 11 entities to the noted list.

SIGNIFICANT PAYMENT REPORTS

In compliance with FATF's Recommendation 19, regulations 148(d) and (e) of the Interactive Gaming and Interactive Wagering Regulations 2007 (IGIWR) mandates internet gambling companies to report to the Supervisory Authority payments made to players from the player's account exceeding the threshold of US\$25,000. See below for details on the significant payment reports for 2015 and 2016.

Report features/trends 2015:

In 2015, the FIU received two hundred and thirty four (234). The Unit realized a significant increase in these reports as outreach to the sector was carried out early in the year. Analysis of these reports revealed the subsequent trends:

- Reports were received from six (6) of the ten (10) licensed internet gaming and sports betting companies.
- Players receiving significant payments were domiciled in jurisdictions including Canada, Germany, the United Kingdom Australia, Chile, Portugal, Mexico and Russia.
- Other players receiving significant payments were domiciled in jurisdictions including Australia, Chile, Portugal, Mexico and Russia.
- Gaming activities which produced significant winnings included Casino games, poker, and sport wagering.

Report features/trends 2016:

The FIU received one hundred and fifty-eight (158). Analysis of these reports revealed the subsequent trends:

- Reports were received from 5 of the 7 licensed internet gaming and sports betting companies.
- Players receiving significant payments were domiciled in jurisdictions including the United States, Canada, Germany, United Kingdom, Thailand, Portugal, Mexico and Russia.
- Other players receiving significant payments were domiciled in jurisdictions including US, Thailand, Portugal, Mexico and Russia.
- Gaming activities which produced significant winnings included Casino games, poker, and sport wagering.

OUTLOOK

For the 2017 performance year, the FIU seeks to increase our capacity to carry out our duties to a high standard. The FIU has acquired critical analytical software, which we intend to fully utilise to allow for more efficient analysis of reports aiding in timely and actionable dissemination of reports to our law enforcement partners. The Unit also anticipates the development of an electronic report submission portal in order to reduce the time spent on administrative duties such as acknowledging and manually logging reports. However, with the increased technological capacity, the organization welcomes the passing of legislation to allow for threshold based reporting by financial institutions to include Currency Transaction Reports and Electronic Funds Transfer Reports which will enhance the Unit's ability to make links, identify illicit funds flows and criminal assets.

Acknowledging that our success largely depends on the ability of regulated firms to effectively identify and report transactions, the unit is committed to delivering targeted training designed to reinforce key elements of the SAR reporting process. In addition, the department plans to liaise more closely with compliance examiners to identify and address deficient areas of AML systems implemented by institutions.

SUPERVISION AND AML/CFT COMPLIANCE

SUPERVISORY FRAMEWORK

The Prudential and Anti-Money Laundering / Counter Financing of Terrorism (AML/CFT) supervision of financial institutions is a key component in the maintenance of a sound national economic structure. The Prudential oversight of financial institutions in Antigua and Barbuda falls under the purview of three (3) entities - The Eastern Caribbean Central Bank (ECCB), the Financial Services Regulatory Commission (FSRC) and Inspector of Casinos (a department of the Ministry of Finance and Corporate Governance), while AML/CFT oversight is the responsibility of the Supervisory Authority, ONDCP.

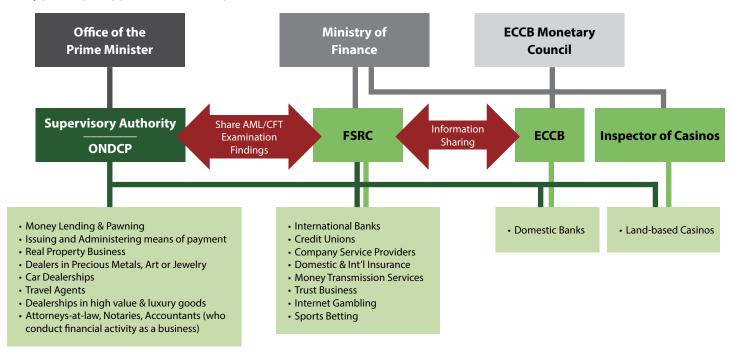
Within the ONDCP, the Financial Compliance Unit (FCU) is responsible for supervising all financial institutions for AML/CFT compliance under the provisions of section 17A (1) of the Money Laundering Act. Pursuant to Sections 17A(3)(b) of the MLPA and the Prevention of Terrorism Act 2005 (PTA), the FCU assess the implementation and effectiveness of institutions' controls and procedures to deter, detect and report money laundering and the financing of terrorism.

In recognition of the synergies that exist between business conduct, prudential and AML/CFT supervision, the regulatory authorities review, jointly with the Supervisory Authority or independently, the effectiveness of the AML/CFT systems of those entities under their purview. Supervisory and regulatory oversight is maintained via a combination of mandatory systematic reporting, offsite examinations and onsite examinations.

Not all financial institutions face the same ML/TF risks consequently the methodology for oversight varies and although the National Money Laundering and Financing of Terrorism Risk Assessment has not yet been completed, the FSRC and the Supervisory Authority (FCU) have identified banking businesses as an area of higher risk. These institutions (domestic and international) are therefore subject to onsite examination on a twelve (12) - eighteen (18) month basis. All other institutions are examined on a twelve (12) to thirty-six (36) month basis.

Examined entities are provided with a written report of examination findings with recommendations for remedial actions and timelines for completion. All entities are subject to administrative and/or criminal sanctions for breaches to regulatory or AML/CFT requirements.

SUPERVISORY FRAMEWORK AML/CFT AND PRUDENTIAL MATTERS



KEY:

ONDCP – Office of National Drug and Money Laundering Control Policy **ECCB** – Eastern Caribbean Central Bank

FSRC – Financial Services Regulatory Commission

AML/CFT Supervision

Prudential Supervision ===

TRAINING AND DEVELOPMENT

Throughout the period 2015-2016 training opportunities were provided for examiners to assist in building overall capacity. Examiners participated / attended in the following workshops and conferences:

Workshop / Courses

2015

National Risk Assessment Workshop

Law Enforcement Leadership Development Program

Caribbean Regional Compliance Association Conference (CRCA)

2016

AML/CFT Anti-Fraud & Financial Crimes Conference

FINTRAC STR Workshop for the Caribbean

Caribbean Regional Compliance Association Conference

CFATF XLIV Plenary & Working Group Meeting

4th Annual Caribbean and Americas Gaming Regulation Forum

Antiqua & Barbuda Compliance Officers Forum

AML/CFT EXAMINATIONS

The FCU conducts offsite and onsite examinations to ensure that all financial institutions are effectively assessing and managing the ML/FT risks faced, to ensure that adequate mitigating have been implemented and to ensure compliance with all relevant statutory requirements.

The AML/CFT Examination Methodology adopted by the FCU and the FSRC assessed institutions in the following nine (9) core areas:

- The Risk Management Framework
- AML/CFT Policies and Procedures
- Customer Due Diligence (CDD) Procedures
- Internal Controls
- Internal and External Reporting Procedures
- Record Keeping Procedures
- Employees Hiring and Screening Procedures
- AML/CFT Training
- AML/CFT Annual Review

The institutions policies, procedures and the effectiveness of their implementation was reviewed and based on the analysis of each core area, ratings of Compliant, Largely Compliant, Partially Compliant or Non-Compliant were assigned.

In 2015, the department was able to complete twenty eight (28) full onsite examinations. Two (2) of these onsite examinations were conducted jointly with the FSRC. There were seventeen (17) examinations conducted in 2016 of which one (1) was conducted jointly with FSRC. As at the end of 2016 the FCU has conducted AML/CFT Examinations across nineteen (19) sectors of the twenty-six (26) listed MLPA First Schedule - "Activities of Financial Institutions". There have been no financial activity identified which fall within the classification of the remaining seven (7) sectors.

In the year 2016, as it related to risk based examinations, the FCU has applied a revised scope of examination in various areas of identified risk. The revised methodology involved the assessment of an institution's ability to reconstruct financial transactions which resulted from consultations and information received from the FAU, the investigative unit and other intelligence units. Additionally, the assessments of the institution's ability to produce financial records in accordance with the mandatory six (6) year statutory requirement. Other arears of Risks identified were Corporate Governance issues which led to a revision of the internal controls implemented by FIs and DNFBPs. While several elements of the examination process remain constant, greater focus was placed on identified risk factors. Therefore at the end of the 2016 period, other risk driven examinations have been conducted.

The following is a comparative chart of examinations conducted over the past five years.

Year	Number of Examinations		
2012	8		
2013	21		
2014	43		
2015	28		
2016	17		

A comparative chart of the Financial Sectors examined during the period 2013 – 2016 follows:

FCU - AML/CFT Examinations by Sector	Number of	Number of Institutions Examined				
	Institutions in Sector	2013	2014	2015	2016	
Local Commercial Banks	7	2	5	4	2	
International Banks	12	2	4	2	1	
Development Banks	1	0	1	0	1	
Credit Institutions	1	0	0	1	0	
Credit Unions	6	0	6	0	2	
Mortgage Companies	1	0	1	0	0	
Insurance Companies (Domestic & Off-Shore)	20	0	5	7	3	
Trust Companies	2	0	1	0	0	
Money Transmission Services	4	1	1	1	0	
Issuing & Administering means of payment	1	0	0	0	1	
Company Service Providers	20	0	3	7	1	
Money Lending & Pawning	5	4	0	1	4	
Real Property Business	30	2	8	1	1	
Dealers in Precious Metals, Art or Jewellery	17	3	4	0	0	
Travel Agents	7	4	3	0	0	
Car Dealerships	6	3	1	2	0	
Casinos	1	0	0	0	1	
Internet Gaming Companies	8	0	0	2	0	
Totals	147	21	43	28	17	

SUMMARIZED OUTCOMES OF EXAMINATIONS CONDUCTED 2015/2016

Banking and Financial Business

(Commercial Banks, Development Banks and Credit Institutions)

Most institutions in this sector have documented policies and procedures in relation to AML/CFT systems. However, the implementation of these policies especially in the area of CDD is a repeated weakness along with repeated gaps in the application of ML/FT Risk Management Procedures.

International Offshore Banking Business

These institutions recognize that the sector is considered as High Risk and generally apply enhanced due diligence to the business operations. Gaps, however, are encountered in the verification of CDD data.

Credit Unions

The examinations conducted of these institutions were 2nd Round Examinations. Improvements were noted in most of the nine (9) core areas assessed, however, there is still a requirement to tailor the risk management framework to meet the specificity of the institutions especially as it may relate to the closed or open membership nature of the business operations. There is still no arrangement made at the Credit Union League level to address requirements for an annual independent review of AML/CFT systems.

Insurance Business

Most companies have written policies and procedures for AML/CFT. However, there was generally non-compliance in the area of Risk Management procedures. Most institutions have either not formulated policies in relation to adapting a ML/FT risk based approach or the procedures formulated were not fully implemented. Customer Due Diligence polices were generally rated partially compliant.

Money Transmission Services

The adapted policies and procedures for the prevention of ML and TF require improvement. Deficiencies were noted in record keeping procedures, in some cases customer information were not easily retrievable, receipts were faded and transaction information could not be seen. Additionally, generally there are no checks for PEPS, and copies of IDs are illegible.

Issuing & Administering means of Payments

The institution did not have effective AML/CFT policies and procedures in place. Remedial work has to be undertaken by the institution to bring it to an acceptable level of compliance.

Company Service Providers

Most companies have written policies and procedures for risk management but these have not been implemented. In some cases, institutions experience difficulty in identifying the beneficial owners of companies incorporated which leads to inadequate due diligence on directors of incorporated companies.

Money Lending and Pawning

The examinations conducted were second round examinations. First round examinations concluded that most of the institutions' policies and procedures were inadequate and was not sufficiently tailored to their operations. However, in the second round of examinations it was recognized that most of the recommended remedial work has been undertaken by the institutions to bring them to a more acceptable level of compliance. Further work will be required to ensure consistency in the implementation of AML/CFT systems.

Real Property Businesses (Real Estate)

The deficiencies identified in these institutions were typical of most financial institutions. The institutions did not have effective AML/CFT programs implemented and some institutions did not recognize their designation as a financial institution under the law. Remedial work has to be undertaken to bring them to an acceptable level of compliance.

Car Dealerships

Most institutions did not have effective AML/CFT policies and procedures implemented. Remedial work has to be undertaken by these institutions to bring them to an acceptable level of compliance. Staff require ongoing AML/CFT training.

Land Based Casinos

The company's AML/CFT policies and procedures were not tailored to meet the nature of the business or its operational requirements. Remedial work has to be undertaken implement relevant AML/CFT systems.

Internet Gambling and Sports Betting

Policy manuals required improvement as they did not address all areas of an effective AML/CFT programme. Compliance Officers required more localised knowledge of the requirements of the ML and TF Prevention Laws, Regulations, Guidelines etc. Significant Payment Reports are not being submitted within the mandated time period (48 hours). Most institutions have responded positively and timely to the remedial measures recommended.

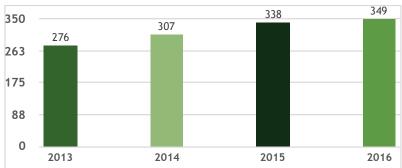
TERRORIST PROPERTY REPORTS (TPRS)

The requirement to submit quarterly TPRs is mandated under Section 34(3) of the PTA. Under these provisions, financial institutions are required to review their client base and ascertain whether or not they are in control of or in possession of terrorist property. This obligation not only satisfies a counter financing of terrorism requirement but also serves an indicator of a financial institution's vigilance in addressing its statutory AML/CFT compliance responsibilities. Consequently, TPRs are reviewed by both the FCU and the FIU.

The review by the FCU analyses the adherence to the mandatory reporting requirements by the financial institutions / sectors while the FIU reviews the actual content of these reports. The period 2015 - 2016 again saw an increase in the number of TPR submissions when compared to previous years. During 2015, the department received three hundred and thirty-nine (339) reports, an increase of 10.40% over the previous year. Three hundred and forty-nine (349) reports were received in 2016, an increase of 2.95% over 2015.

The following chart shows the number of reports received during the past four (4) years – 2013 – 2016.

TPRs Submitted Comparison 2013-2016



Terrorist Property Reports by Sector – 2015/2016

An analysis of reports received revealed that the increase in submissions could be directly ascribed to a marked increase in reports from the Company Service Provider (CSP) sector. The number of reports submitted by institutions in this sector increased from eighteen (18) to forty-eight (48). This increase in submissions has been attributed to the increase in the number of AML/CFT examinations conducted by the FCU on CSPs. Overall submissions by the remaining financial sectors remained constant.

Terrorist Property Reports by Sector – Comparative 2013 – 2016

Sector	2013	2014	2015	2016
Commercial Banks/Development Banks/Credit Institutions	36	36	34	33
International Banks	50	48	46	35
Insurance Companies- Local	67	62	53	56
Insurance Companies- Offshore	9	5	9	18
Credit Unions	24	24	24	24
Travel Agencies	4	16	15	15
Real Property Businesses	24	45	52	36
Money Lending and Pawning	12	16	17	19
Money Transmission Services	11	11	15	16
Trust Businesses	7	7	1	0
Interactive Gaming and Interactive Wagering Companies	26	18	24	22
Company Service Providers	6	18	48	75
Total	276	306	338	349

2017 OUTLOOK

AML/CFT Examinations

Having conducted AML/CFT examinations at most of the major financial institutions and financial sectors, and thereby having established a first-hand understanding of the strengths and deficiencies within the institutions and sectors, the department plans to focus its examination efforts in conducting 2nd Round and 3rd round examinations to assess the levels of remedial measures instituted by institutions to address deficiencies identified in the 1st Round of examinations and to assess the effectiveness of these measures. Special focus will be placed on the implementation of a risk sensitive supervisory program and improving the submission times of draft and final AML/CFT Examination Reports to institutions.

Guidance and Feedback to Financial Institutions

The FCU will be seeking to implement a system to provide general and sectoral guidance and feedback to financial institutions on common or generic deficiencies identified during the examination process. It is expected that this feedback will help with the development of greater efficiency and effectiveness in the systems, policies and procedures adopted by institutions.

Sanctions

The first round of AML/CFT examinations had adopted a collaborative approach with financial institutions in addressing identified deficiencies. Although Institutions were required to effectively rectify deficiencies without threat of administrative or criminal sanctions, institutions were still sanctioned for breaches of the Money Laundering Prevention Regulations or Guidelines. It is expected that this period for diplomacy is at an end; therefore, the department will seek to utilize the statutory sanctions at its disposal to address cases of recalcitrant institutions.

A Notice of Non-Compliance for breach of Section 12(4) of the Money Laundering (Prevention) Act 1996 (MLPA) was issued to a Financial Institution in the year 2016. Subsequently a "Statement of Sanctions" was issued to the Financial Institution, which supplemented and formed an integral part of the Notice of Non Compliance. The Statement outlined that for breach of Section 12(4) of the MLPA the institution was charged a Civil Penalty of XCD75,000. For the ongoing breach of Regulation 5 of the MLPR the institution was charged an additional Civil Penalty of XCD25,000 for each of the three (3) years that the breach remained outstanding and un-remedied. Totaling a XCD150,000 civil penalty.

Registration of Un-Regulated Financial Institutions

In recognition of the requirement of FATF recommendation 26 which suggest that financial institutions should be "licensed or registered", the department will continue its efforts towards the implementation of this requirement.

"By failing to prepare, you are preparing to fail."

- Benjamin Franklin







FATE & CEATE ASSESSMENT

NEW METHODOLOGY FOR MUTUAL EVALUATION – FATF RECOMMENDATIONS

In February 2012, the Financial Action Task Force (FATF) issued new guidelines for addressing the threats of ML, TF and the proliferation of weapons of mass destruction. The FATF Recommendations – International Standards on Combating ML, TF and Proliferation have been revised to enhance global safeguards and further protect the integrity of the international financial system by providing countries with stronger tools to take action against financial crime. The new Recommendations are targeted and provide greater flexibility for the countries to adopt simplified measures to be applied in low risk areas. This risk-based approach will allow financial institutions and other designated sectors to apply their resources to areas of higher Money Laundering & Financing of Terrorism risk.

Further to this revision, the FATF in February 2013 introduced a new Methodology for assessing technical compliance with the FATF Recommendations and the effectiveness of AML/CFT systems. This new methodology will determine whether a country is sufficiently compliant with the 2012 FATF Standards, whether its AML/CFT systems are working effectively, and will also provide the foundation for an assessment of the level of effectiveness of the implemented measures. It is now envisaged that the Fourth Round of Mutual Evaluations will more efficiently determine how well countries have accomplished the objective of fighting ML and Financing of TF.

The new Methodology comprises two inter-linked components:

The technical compliance assessment will address the specific requirements of each of the FATF Recommendations, principally as they relate to the relevant legal and institutional framework of the country, and the powers and procedures of competent authorities. It will assess whether the necessary laws, regulations or other required measures are in force and effect, and whether the supporting AML/CFT institutional framework is in place. The level of Technical Compliance Recommendation will be indicated with one of the following ratings: Compliant (C), Largely Compliant (LC), Partially Compliant (PC) or Non-Compliant (NC).

The effectiveness assessment will assess the extent to which a country achieves a defined set of outcomes (Immediate Outcomes) that are central to a robust AML/CFT system and will analyse the extent to which a country's legal and institutional framework is producing the expected results. The Immediate Outcomes in the Methodology will be indicated in the countries evaluation report using of the following ratings: high-level of effectiveness, substantial level of effectiveness, moderate level of effectiveness and low level of effectiveness.

The CFATF has commenced the fourth round of mutual evaluations for its members based on the FATF Recommendations (2012), and the associated Methodology for Assessing Compliance with the FATF Recommendations and the Effectiveness of AML/CFT Systems (2013) and the mutual evaluation of Antiqua/Barbuda is expected to be conducted by mid-2016.



NATIONAL RISK ASSESSMENT-**AN ONGOING PROCESS**

The revised standards of the FATF entail that all countries look introspectively at its ability to identify, assess and understand their risks of ML and TF, and then adopt appropriate measures to mitigate the risk. Antigua and Barbuda has therefore seen it fit to undergo a National AML/CFT Risk Assessment in accordance with International standards to allow the nation to identify, assess and understand the risks of ML and TF, which the country faces. The ONDCP is leading and coordinating this national effort, with technical assistance being provided by the World Bank. To ensure such endeavours are successful, a multifaceted stakeholder approach has been adopted.

The National Risk Assessment (NRA) will help to effectively detect the vulnerabilities that ML poses to the various financial sectors and allow for the allocation of resources to the identified high risk areas. The NRA process involves a multi-sectorial approach and comprises of several government and private sector agencies, departments and entities.

The process has been divided into four (4) working groups to cover the following areas:

- 1) National Security and Law Enforcement,
- 2) Banking and Securities Sector,
- 3) Insurance Sector, and
- 4) Designated Non-Financial Businesses and Professions.

Each of these working groups has been working assiduously at conducting surveys, conducting interviews, distributing and collecting self-administered questionnaires and analysing the data received. The various stakeholders are required to do their best, despite the challenges encountered, and not be discouraged, deterred or distracted in the development of a thorough and professional assessment which will be used to strengthen the country's AML/CFT framework.







INVESTIGATIONS

GENERAL

In an effort to provide a complete and comprehensive investigative product the Financial and Drug Investigation Departments merged to become the Investigations Department (ID). This rebranding increased the staff compliment to seven (7) officers specifically trained in the investigations of drug trafficking and financial crimes, giving the officers a more holistic understanding of the issues under investigation.

The ID is mandated to perform the following:

- Enforce the provisions of the MLPA its Regulations and Guidelines;
 - o Misuse of Drugs Act Cap 283;
 - o The ONDCP Act 2003:
 - o Prevention of Terrorism Act 2005
- Investigate reports of suspicious activity concerning specified offences and the proceeds of crime,
- Investigate the commission of predicate offences to money laundering as defined in section 2 of the MLPA;
- Arrest, interview and charge accused persons;
- Complete and forward case files for prosecution;
- Forward requests to other law enforcement agencies and/or government entities for information and evidence; and
- Take necessary steps as appropriate to seize, freeze and ultimately confiscate or forfeit the proceeds of crimes.

INTERNAL SUPPORT

The ID is supported by and provides support to all other departments within the organization. As information flows into the Unit to assist it in achieving the department's mandate, the other units of the ONDCP also benefits from information housed in the unit.



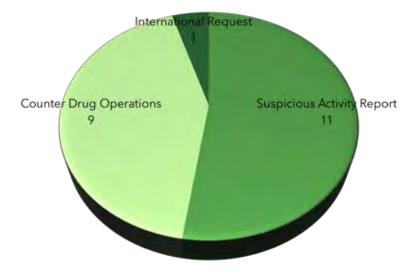
DEVELOPMENT & TRAINING

During the period under review, officers within the department have received training and attended workshops within sector specific areas in keeping with the AML/CFT standards. Additionally, the department has been afforded the opportunity to interact with our local, regional and international partners to keep abreast of the changing modus operandi of the transnational criminals. These partners include Caribbean Criminal Asset Recovery Programme (CCARP), United States Inland Revenue Service (IRS), United States Federal Bureau of Investigations (FBI), United States Drug Enforcement Administration (DEA) and the Caribbean Regional Drug Law Enforcement Training Centre (REDTRAC).

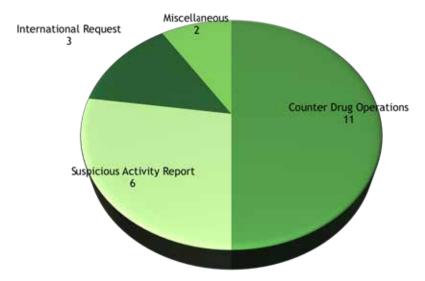
INVESTIGATIONS

Traditionally, a significant number of cases are referred to the Unit for investigation either from the counter-narcotics team after a drug interdiction or from the FIU in the way of SARS. To a lesser extent, cases are initiated from other open sources of information that includes the media and other publications.

The Investigations Department in 2015, initiated twenty (21) new cases, eleven (11) of which originated from SARs, nine (9) from counter drug operations and one (1) from an international request.



In 2016, twenty (22) new investigations were initiated by the unit. Six (6) of which originated from SARs, eleven (11) from counter drug operations, three (3) from international requests and two (2) miscellaneous.

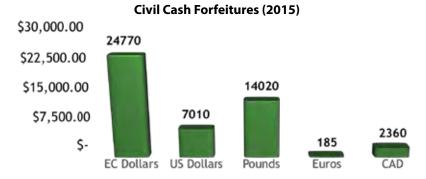


The ID has received matters referred by the Customs and Excise Department concerning the cross border movement of cash into and out of Antigua and Barbuda. There were a number of joint operations with the Tactical and Surveillance Team (TAST) of the ONDCP as well as the Royal Police Force of Antigua and Barbuda, in relation to cash seized on suspicion of being the proceeds of crime and other monies earmarked to further criminal enterprise.

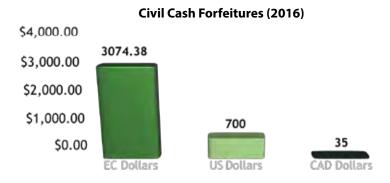
In 2015, there were ten (10) **cash seizures** totalling EC\$138,015.46, US\$61,883, £13,960, CAD \$35 and €11,710. However, in 2016, only two (2) **cash seizures** were recorded totalling US\$656.00 and EC\$17,759.55.



The unit recorded five (5) cash forfeitures in 2015 totaling EC\$24,770, US\$7,010, £14,020, CAD\$2,360 and €185.



In 2016, three (3) Civil Cash Forfeitures totaling EC\$, 3,074.38 US\$700.00, and CAD 35.00 were obtained.

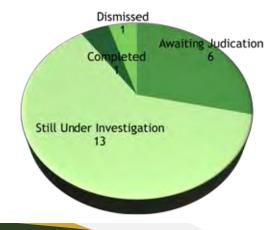


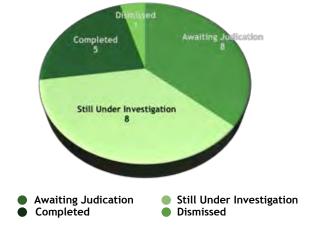
Two (2) Criminal Cash Forfeitures in 2016-totaling EC\$84,900.00 and US\$50,080.00



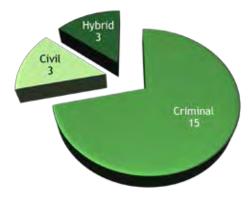
Of the twenty-one (21) new cases registered in 2015, six (6) are presently before the courts awaiting adjudication, thirteen (13) are still under investigations, one (1) completed and one (1) dismissed.

Of the twenty-two (22) new cases in 2016, eight (8) are presently before the courts awaiting adjudication, eight (8) are still under investigations, five (5) completed and one (1) dismissed.

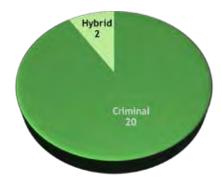




The composition of cases that are produced within the ID are unique whereby cases presented before the court fit into all categories. Of the twenty-one (21) new cases for 2015, fifteen (15) are criminal three (3) are civil and three (3) are hybrid in nature.



Additionally, of the twenty-two (22) new cases for 2016, twenty (20) are criminal and two (2) are hybrid in nature.



The ID for the first time in the state of Antigua and Barbuda successfully confiscated US\$30,000. In this matter, the Defendant pled guilty to and was convicted of possession of 169.65kilos of cocaine, possession with intent to supply, both of which are scheduled offences under the Proceeds of Crime Act.

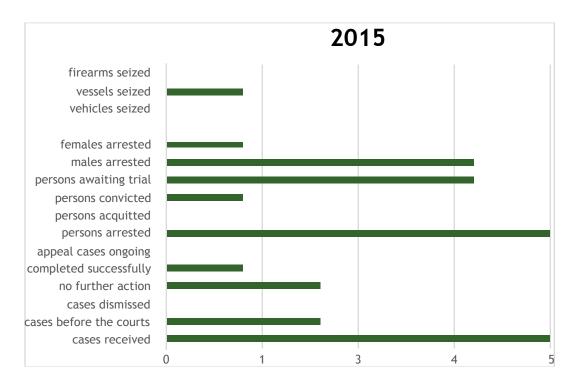
On this basis, the Director of Public Prosecutions applied for and was granted a Confiscation order. The Court in its assessment of the Defendants benefit from the statutorily prohibited activity, calculated that benefit as EC\$5,954,715. However, the Court in its deliberations regarding the amount that may be realized, concluded that the figure of EC\$80,646 (US\$30,000) was appropriate, it was so ordered.

The Department also experienced another first, when it was awarded judgement in a matter of an application for an order of forfeiture against specified interest of the Defendant in certain property valuing EC\$1,128,470.75. The Defendant as part of his defence sought declarations that the proceedings were a breach of specific areas of the constitution to wit; Article 3 (a) of the Constitution of Antigua and Barbuda, that section 2H is a breach of Articles 3 and 15 of the Constitution and are draconian in form and nature and thus unconstitutional and a declaration that section 20(a) of the MLPA is also draconian and unconstitutional. The Court found that the Authority had sustained its burden of proving that the Defendant had engaged in money laundering activity within the period specified by the Act. As a result, all interest of the Defendant in property subject to a freeze order were forfeited to the crown.

On December 24th 2015, an order for a declaration of forfeiture was granted securing the sum of approximately US \$66,766,145.03. The rights, interests and ownership of the Defendants were frozen since 2004 by order of the Court and placed in the account of the Registrar in a local financial institution in 2003. The forfeiture provisions of section 20 of the MLPA as amended had taken effect and operated to allow for the transfer of the said rights, interests and ownership of the Defendants to the Crown.

DRUGS

The Investigations Department received a total of five (5) counter narcotics cases for the period under review. This amounted to approximately 3,667lbs of cannabis and approximately 50 kg of cocaine being removed from the streets of Antigua and Barbuda. Stemming from these cases, three (3) resulted in matters to be prosecuted with a total of five (5) persons made to answer charges. Of the prosecutions concluded in 2015, the sentences ranged from a fine of XCD\$300.00 or three (3) months in prison (in default) to a fine and imprisonment of 5 years and XCD\$1,532,000.00 or an additional year in prison (in default).



PROPERTY SEIZED OR FROZEN

The Department seized a number of assets as a result of successful counter narcotics operations. These assets included three (3) vessels and four (4) motor vehicles to be used as exhibits in the criminal trial. As a result of successfully concluded matters before the courts, two (2) assets have been forfeited in that one (1) motor vehicle and a property are now in control of the State. Applications are presently before the court for the forfeiture of two (2) additional vessels that were involved in counter narcotics operations. Also, the ONDCP was successful in depositing into the Treasury, approximately USD\$30,000.00 which originated from a confiscation order made in the High Court. During 2015, the ID successful disposed of two (2) forfeited vessels, it also saw another first, the successful forfeiture of property valuing EC\$1,128,470.75. Additionally, In 2016 through the hard work of the Investigators, the Department restrained approximately EC\$167 million dollars from ongoing matters that are still under investigations.

PRE-CONVICTION MATTERS

For any matter or operation to be successfully concluded, a number of orders used as investigative tools must be applied for before the Courts. These "pre- conviction" tools are invaluable as they are the primary evidence gathering mechanism, such tools include; Search warrants, Cash Detention Orders, Freeze Orders, Monitoring and Production Orders. These orders are granted once the Court is satisfied as prescribed by the applicable sections of legislation.

At the conclusion of any matter before the Court, Investigators have available to them additional investigative tools such as Forfeiture and Confiscation applications which usually becomes a part of the sentencing requirements. In the year under review, a total of twenty-eight (28) orders were applied for and granted. The figure below shows the breakdown of these orders, to all of which have been complied.

In 2015, the Unit applied for one (1) confiscation order, nine (9) production orders, six (6) detention orders, seven (7) search warrants and five (5) forfeiture orders.



In 2016, the Unit applied for five (5) forfeiture orders, thirty-seven (37) production orders, three (3) detention orders and thirteen (13) search warrants.



REQUEST

Partnering entities assist in gathering evidence and information. There are various methods to obtain information for investigative purposes. They include but are not limited to requests to national, regional and international law enforcement partners and sister organizations. These requests are either formal or informal and have a different set of protocols attached to each. A formal request is one that is made via a Letter of Request, pursuant to a Mutual Legal Assistance Treaty or under the Mutual Legal Assistance in Criminal Matters Act. Such requests are made when the material requested is to be used for evidential purposes. An informal request, on the other hand, is a request made directly to the relevant Law Enforcement Agency (LEA) or other Governmental Agency for information to be used for intelligence purposes.

NATIONAL AUTHORITIES AND DEPARTMENTS

To assist the investigators in the various aspects of a financial investigation, local authorities and departments are contacted for information, pursuant to Section 11 of the MLPA. In addition, there are a number of Memoranda of Understanding (MOUs) in place with several of these agencies and any information obtained from these entities can be utilized in the courts.

OUTLOOK

The ID continues to actively engage in the process of improving the skillsets and the knowledge base of its officers in an effort to improve the efficiency of the department and, in the process, create a well-trained and organized group of investigators. The ID plans to continuously revise its approach to conducting financial investigations and to incorporate best practices with a professional approach. It is also the wish of the department that all financial investigators be accredited by a recognized institution/body. In accomplishing this departmental goal, two (2) financial investigators have begun the accreditation process to become accredited financial investigators through a programme facilitated by the RSS-ARU. There is also a need for Forensic Accounting Software and Forensic Accountant/ Analyst to assist with the complexities of tracing property hidden by complex transactions in order to link the proceeds of crime to its criminal owners.

"Be strong and courageous.

Do not be afraid or terrified because of them,
for the LORD your God goes with you;
he will never leave you nor forsake you."

- Deuteronomy 31:6

LEGAL DEPARTMENT

OVERVIEW

- · Unlawful activity dealt with
- Legal action taken
- Property involved
- Value of property subject to legal action
- Mutual Legal Assistance
- Conferences and Assessments
- Law Reform

The activity of the Legal Department in 2015 and 2016 supported the work of the ONDCP in combatting drug trafficking, money laundering, fraud and corruption. The Legal Department throughout the year was concerned primarily with obtaining production orders, restraint orders, cash detention orders, cash forfeiture orders and the execution of letters of request from foreign jurisdictions in relation to which production orders and freeze orders were obtained, and the sending of mutual legal assistance requests seeking support of investigations being conducted by the ONDCP. The Legal Department is also an asset forfeiture unit. It saw the conclusion of proceedings that resulted in the ONDCP's largest asset forfeiture ever, with the ONDCP being able to deliver to the Government a multi-million dollar forfeiture of U.S. funds. It was also an exceptional year in that the Department obtained the most production orders ever in a year Assets subject to various legal action throughout the year included land, vehicles, vessels, bank accounts and cash.

The productive output for 2015 and 2016 (the Deliverables) are summarized in Table 1a.

Activity over the past five years 2012 to 2016 is compared in Table 2.

The value of property subject to legal action in 2015 and 2016 is set out in Tables 3a and 3b.

Table 1a — Deliverables for 2015 and 2016

	2015	2016
production orders	11	33
admin freezes	0	0
freeze orders	2	1
cash detention orders	5	9
confiscation/forfeiture orders	1	1
cash forfeiture orders	5	3
registration orders	0	1
ancillary orders	0	0
other assistance	0	0
executables on LOR* received	4	3
LOR* (sent)	4	1

INVESTIGATIONS AND PROSECUTIONS

Production Orders

2015 - Eleven (11) production orders were obtained, as they continued to be an essential and very beneficial tool in conducting financial investigations. The majority of production orders were obtained in the middle quarters. The bases for obtaining production orders were for purposes related to investigating money laundering and corruption.

2016 - Thirty-three (33) production orders were obtained during the year. They were especially in support of indepth data gathering and analysis of suspect financial transactions. They related to drug trafficking, but the larger part concerned collection of information related to money laundering.

Freeze and Restraint Orders

2015 - Restraint Orders pursuant to the Proceeds of Crime Act were obtained in drug trafficking matters, where they are related to projected confiscation proceedings.

2016 - An order restraining seventy-one (71) bank accounts was obtained in support of a major case connected to transnational organised crime. The order served to enable the ONDCP to carry out extensive investigations into the nature of the restrained property also supported by information gathered from related production order.

Cash Detention Orders

2015 - Five (5) cash detention orders were obtained relating to fraud, drug trafficking and money laundering. In 2016, the cash detention orders increased and there were nine (9) cash detention orders obtained relating to drug trafficking and serious organised fraud, one scheme designed to dupe pensioners to part with their money.

Forfeiture and Confiscation

2015 - There were five cash forfeiture orders obtained that forfeited a total of \$50,015. The money involved related to drug trafficking and organized fraud. The ONDCP obtained its first confiscation order under the Proceeds of Crime Act. The Court found that a defendant caught in possession of 169.65 kilos of cocaine had benefited from drug trafficking and based on property available, the court made a confiscation order that the defendant pay \$80,646. The confiscation order was in addition to a fine and imprisonment.

2016 - The year saw the conclusion of proceedings in the largest forfeiture matter ever dealt with by the ONDCP, resulting in the forfeiture of EC\$183,606,898 (US\$66,766,145) of the proceeds of foreign corruption. There were also three cash forfeiture orders obtained that forfeited a total of EC\$15,148, all related to drug trafficking.

Registration Orders

2015 – No registration order were obtained, but in 2016, there was one (1) order giving effect to a foreign restraint order by registration. This restrained a substantial number of accounts suspected of being instrumentalities of a foreign corruption scheme.

Preparation of Cases

During the period under review, the Legal Department advised the drug investigators (TAST) and vetted drug cases initiated by the ONDCP prior to the case files being submitted to the Director of Public Prosecutions. The Department also advised the Financial Investigations Department on cases it was preparing to bring before the court.

Comparison of Deliverables

Comparison of performance in 2015 with the three previous years is set out in Table 2. Eleven (11) production orders obtained equaled 2014, were higher than 2013 but lower than 2012, the latter being considered an anomalous year due to the exceptional activity occurring then. The two (2) freeze orders equaled the two previous years. There were six (6) confiscations, five (5) were cash forfeitures and one (1) a confiscation order to recover unlawful benefits. The value of property forfeited was \$130,661.

Comparison of performance in 2016 with the four previous years is set out in Table 2. The year saw the largest productivity on record in obtaining production orders, with thirty-three production orders, the majority of which concerned intensive money laundering investigations and analysis, and the rest arising from drug matters. The one (1) freeze order obtained froze substantially more assets than those of the previous years, affecting approximately \$167,000,000. The four (4) forfeitures for the year included the largest forfeiture recorded by the ONDCP, and reflects the highest value of property forfeited of **EC\$ 179,520,810.67 (US \$66,766,145)**. The MLATs sent for the year was low but reflected the actual needs of the investigations department. In response to foreign letters of request, one (1) freeze order and two (2) production order were obtained.

Table 2 — Comparison of Deliverables for the Years 2012 to 2016

	2012	2013	2014	2015	2016
production orders	30	6	11	11	33
admin freezes	3	0	0	0	0
freeze orders	9	9	9	2	1
cash detention orders		10	12	5	9
confiscation/forfeiture orders	2	6	3	6	4
registration orders	2	1	0	0	1
ancillary orders	1	1	2	0	0
other assistance	1	0	0	0	0
executables on LOR received	11	12	8	4	3
LOR sent	12	12	5	4	1

Value of property subject to legal action

2015- Cash seized and detained by cash detention order on suspicion of being the proceeds of crime was valued at \$428,567. Cash forfeiture orders amounted to \$99,266.59. The ONDCP's first confiscation order was in the amount of \$80,646. Total value of property subject to legal action was \$608,480.57. (See Table 3a).

2016- Cash seized and detained by cash detention orders on suspicion of being the proceeds of crime was valued at \$217,893.64. Cash forfeiture orders amounted to \$15,148.46. The ONDCP's largest forfeiture to date was in amount of \$183,606,898.75. Total value of property subject to legal action was \$183,839,940.86. (See Table 3b).

Table 3a — Value of Property Subject to Legal Action 2015

	Q1	Q2	Q3	Q4	2015
cash detention order	16,441.08	112,150.76	290,093.15	9,882.995	428,567.985
cash forfeiture order	14,885.29	2,937.00	18,072.08	63,372.22	99,266.59
confiscation/forfeiture order	0	0	0	80,646.00	80,646
Total					608,480.57

Table 3b — Value of Property Subject to Legal Action 2016

	Q1	Q2	Q3	Q4	2016
cash detention order	0	54,106.39	161,983.25	1804.00	217,893.64
cash forfeiture order	3,156.08	2,000.00	0	0	5,156.08
confiscation/forfeiture order	0	0	179,520,810.67	0	179,520,810.67
Total					179,743,860.39

MUTUAL LEGAL ASSISTANCE

2015 - In support of ongoing investigations, the Legal Department prepared four Letters of Request to foreign jurisdictions seeking mutual legal assistance in investigating money laundering and drug trafficking. In 2016, the execution of the mutual legal assistance requests, resulted in two (2) production orders and one (1) freeze order enforced by registration restraining funds in several bank accounts which were obtained. These executables related to MLATs concerning a corruption investigation. One (1) letter of request was dispatched for assistance in the service of documents on a person residing overseas relating to proceedings in Antigua concerning property in which he had an interest.

PERSONNEL

2015 - The department continued to function with one lawyer, but efforts were being made to recruit an additional lawyer. Therefore, in 2016, the department was able to acquire the services of two new lawyers which brought with it a measure of greater efficiency over the legal workload. Both lawyers immediately commenced training but were also actively engaged in support functions.

CONFERENCES AND TRAINING

2015 - Personnel from the legal department attended the Civil Assest Recovery Advocacy Workshop in Grenada facilitated by the Judicial Education Institute. The workshop concerned methods of presenting cases to a court on applications for civil recovery of the proceeds of crime under the Proceeds of Crime Act. An attorney from the Legal Department was part of the support team that attended the CFATF XLI Plenary in Trinidad. The opportunity was used to liaise with counterparts and exchange information on ongoing matters.

2016 - An attorney from the department attended a meeting in Guadeloupe between government officials from Antigua and Barbuda and Guadeloupe, to discuss cooperation between France and Antigua and Barbuda, including mutual legal assistance. The opportunity was taken to discuss outstanding issues in relation to cases in which there was mutual interest. An attorney from the department attended the CFATF XLIV Plenary in Turcks & Caicos. This was particularly useful in the preparation for the upcoming mutual evaluation that was to take place in 2017. There was also attendance at an asset recovery practitioners conference that commenced work on an establishing an asset recovery network for the Caribbean region, which came to be named ARIN-Carib.

LAW REFORM

2015 - The Legal Department was consulted in relation to critical amendments to the Trafficking in Persons (Prevention) (Amendment) Act 2015 and the Migrant Smuggling (Prevention) (Amendment) Act 2015. Issues dealt with related to removing provisions that rendered the Acts unenforceable in key areas.

2016 – The year saw the passage in Parliament of amendments to the Evidence (Special Provisions) Act, which contained a provision previously advocated by the ONDCP for the use of television or video link testimony in criminal matters.

CONCLUSION

For the period the Legal Department took time to review its functions and the progress being made with various matters with which it was dealing. Clarification and better understanding of processes that contribute to successful managing of caseloads was improved. The department proved to be a highly successful year in 2016, in relations to its functions, especially in the arears of asset forfeiture and obtaining of production orders.

"Perseverance is not a long race; it is many short races one after the other."

- Walter Elliot

COUNTER NARCOTICS OPERATIONS

GENERAL

The Drug Intelligence Unit (DIU) is primarily responsible for the collection, collation, evaluation and analysis of information, and dissemination of the finished product (Intelligence) to the Tactical and Surveillance Team for action. The Unit works closely with other local, regional and international law enforcement agencies to collect data, and continues to make significant contributions in the identification of known and unknown threats as it strives to eliminate the trafficking of illegal narcotics. As result of the improved intelligence framework, there has been a significant increase the amount of drugs seized within the past year.

PARTNERSHIPS

Table Intra Office Requests

Department Name	No. of Requests Received	No. of Requests Sent
Investigation Department (ID)	5	0
Financial Intelligence Unit (FIU)	32	0
National Joint Coordination Centre (NJCC)	0	5

Co-operation with National Agencies and Departments

Name of Agency	No. of Requests
Antigua and Barbuda Immigration Department	34
Royal Police Force of Antigua and Barbuda	4
Antigua and Barbuda Transport Board	38
Antigua and Barbuda Social Security Board	14

External Request to Regional and International Agencies

Name of Agency	No. of Requests
Drug Enforcement Administration (DEA)	0
Serious Organized Crime Agency (SOCA)	0

External Request FROM Regional and International Agencies

Name of Agency	No. of Requests
Drug Enforcement Administration (DEA)	1
Serious Organized Crime Agency (SOCA)	0

OPERATIONS

COUNTER NARCOTICS OPERATIONS UNDERTAKEN IN 2015

8th April, 2015

On Wednesday 8th April 2015, the ONDCP executed a search warrant on a resident in Cedar Grove. During the search of a two (2) storey dwelling home three (3) grams of cannabis was found in a microwave on the upper floor, while monies totalling nine thousand five hundred US Dollars (\$9, 500USD) and eleven thousand seven hundred and ten Euro (€11, 710) was found on the ground floor.

A search of a wooden house located at the rear of the premises, where six (6) crocus bags of compressed cannabis along with several vacuum sealed packages of cannabis. The drugs were weighed and amounted to 232.6lbs with an estimated value of nine hundred and thirty thousand four hundred EC Dollars (\$930,400.00EC). Six (6) persons were detained in connection with the seizure however; no charges were laid against them and they were later released. The US currencies were subsequently checked and proven to be counterfeit. On Tuesday 14th April 2015, one of the six (6) persons was charged with Forgery and two (2) counts of Money Laundering (Being in Possession of Counterfeit Notes) and (Bringing into the Country Counterfeit Notes).



7th May, 2015

On Thursday 7th May, 2015, the ONDCP executed a search warrant on a resident in Piccadilly. During the search of a two (2) storey dwelling, home three (3) grams of Cocaine was found. The drug has a street value of \$105.00 EC. One individual was charged with possession of Cocaine.

30th June 2015

On Wednesday 30th June 2015, the ONDCP conducted an operation in the Mount Joy area which resulted in the detainment of a Vincentian, and two (2) Jamaicans. Also seized were 239.25lbs of compressed marijuana with an estimated wholesale value of four hundred and seventy eight thousand, five hundred EC dollars (\$478,500.00 EC) and 49.85 kilos of cocaine with an estimated wholesale value of one million seven hundred and sixty thousand, six hundred and eighty seven dollars and four cents (\$1,760,687.04EC). All three (3) detainees were interviewed and subsequently released.





6th August 2015

On Wednesday 6th August 2015, the ONDCP in conjunction with Antigua and Barbuda Defence Force (ABDF) Coast Guard, Customs and Excise Division and Immigration Department conducted an operation in St. Johns city. The joint efforts resulted in the seizure of fifty-eight thousand nine hundred and three US dollars (\$58,903.00 USD); and the detainment of two (2) individuals; one (1) a national of the British Virgin Island and the other of St. Lucia.





The British Virgin Island national was charged with four (4) counts of money laundering under the MLPA.

24th September 2015

On Thursday 24th September 2015, the ONDCP conducted an operation in the Fryers Beach area which resulted in the arrest of an Antiguan male and a seizure of eighty-four thousand nine hundred EC dollars (\$84, 900.00 EC). The man was charged with one (1) count of money laundering under the MLPA.





3rd December 2015

On Thursday 3rd December 2015, the ONDCP conducted an operation in the Marble Hill area which resulted in the arrest of a twenty-seven (27) year old Jamaican female residing in Antigua, and a seizure of 489lbs of compressed cannabis. Currencies totalling twenty-one thousand, nine hundred and ninety-five EC dollars (\$21,995.00 EC) were also seized. The estimated wholesale value of the cannabis is one million nine hundred and fifty-six thousand EC dollars (\$1,956,000.00 EC). The female was charged with Possession of Cannabis, Possession of Cannabis with Intent to Transfer, Being Concerned in the Supply of Cannabis, Drug Trafficking.



24th December 2015

On Wednesday 24th December 2015, the ONDCP conducted a joint operation with the ABDF Coast Guard in the Five Islands area which resulted in the arrest of three (3) males and a seizure of 2680.75lbs of cannabis. Another 26.2lbs of cannabis was seized at the residence of one (1) of the males. The estimated wholesale combined value of the cannabis is ten million eight hundred and

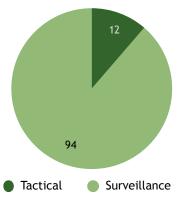


twenty-seven thousand eight hundred EC Dollars (\$10,827,800.00 EC). The trio was charged with Possession of Cannabis, Possession of Cannabis with Intent to Transfer, Being Concerned in the Supply of Cannabis, Drug Trafficking and Importation.

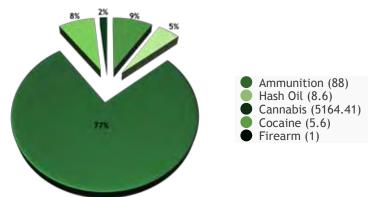
Operations undertaken during the period January to December 2016

During the period January 1st to December 31st 2016, the ONDCP conducted one hundred and six (106) operations, of which ninety- four (94) were intelligence gathering operations and twelve (12) were tactical counter drug operations. The tactical counter drugs operations resulted in the arrest of twenty (20) persons and the dismantling of more than five (5) drug trafficking syndicates operating in Antiqua and Barbuda.

The tactical operations resulted in the removal of 5164.41 pounds of cannabis, 12.35 kilos of cocaine and 8.375 pounds of hash oil, valued at approximately seven million, eight hundred and fifty-five thousand, five hundred and thirty-five EC dollars (\$7,855,535.00EC) from the streets of this twin island state. The Team was also instrumental in the removal of a .38 revolver as well as eighty-eight (88) rounds of ammunition (38 x .38 and 50 x 9mm).



Items seized during counter drug operations for 2016



The following is a short summary of the major operations initiated by the DIU and supported by the Tactical and Surveillance Team (TAST).

15th February 2016

On Monday 15th February 2016, the ONDCP conducted an operation in the Willikies area resulting in the seizure of 2493.75lbs of compressed cannabis, fifty (50) rounds of 9mm ammunition and a Glock 17 magazine. The estimated wholesale value of the cannabis is nine million, nine hundred and seventy five thousand EC dollars (\$9,975,000.00 EC). No one has been charged in connection with the seizure.





7th April, 2016

On Thursday 7th April 2016, the ONDCP conducted an operation in the Shell Beach area which resulted in the arrest of two (2) males along with a seizure of 533lbs of compressed marijuana with an estimated wholesale value of one million sixty- six thousand EC dollars (\$1,066,000.00 EC) and 5.6 kilos of cocaine with an estimated wholesale value of one hundred and ninety seven thousand, two hundred and eighty eight dollars (\$197,288.00EC). For cannabis possession both men have been charged with Possession of Cannabis, Possession of Cannabis with Intent to Supply, Being concerned in the supply of Cannabis and Drug Trafficking whilst for Cocaine they received the charges of Possession of Cocaine, Being concerned in the supply of Cocaine and Drug Trafficking.



7th May 2016

On Saturday 7th May 2016, the ONDCP in collaboration with the Royal Police Force of Antigua and Barbuda conducted a joint operation in the Cassada Gardens area which resulted in the arrest of two (2) Jamaican nationals along with a seizure of 88lbs of compressed marijuana. The marijuana holds an estimated wholesale value of three hundred and fifty two thousand dollars (\$352,000.00 EC).





7th August 2016

On Sunday 7th August, 2016, the ONDCP conducted an operation in the Creekside area which resulted in the arrest of two (2) Vincentian nationals as well as a seizure of 8lbs 6ozs of Hashish oil. The drugs carry an estimated wholesale value of thirty three thousand five hundred EC dollars (\$33,500.00 EC). The two (2) men were charged with the Possession of Hashish Oil, Possession with the intent to supply Hashish Oil and Being concern in the supply of Hashish Oil.





12th August 2016

On Friday 12th August 2016, the ONDCP conducted a counter-drug operation in the Big Creek & Golden Grove areas. This resulted in the arrest of three (3) Antiguans, two (2) males and a female, and a St. Vincent national. A total of approximately six hundred and ninety-seven (697) pounds of compressed Cannabis were seized during the operation. The Cannabis, which originated from St. Vincent, has an estimated wholesale value of one million three hundred and ninety-five thousand, two hundred and fifty EC dollars (\$1,395,250.00 ECD). The quartet were charged with the Possession of Cannabis, Possession with the Intent to Supply Cannabis, Being Concern in the Supply of Cannabis and Drug Trafficking.



18th October 2016

The ONDCP conducted a counter-drug operation in the early hours of Tuesday 18th October 2016. The operation which was conducted in the Old Road area resulted in the arrest of two (2) Antiguan nationals. A total of 53lbs 14ozs of compressed cannabis was also seized carrying an estimated wholesale value of one million, seven hundred and seven thousand, seven hundred and fifty EC dollars (\$1,707,750.00 EC). Both were charged with *Possession of Cannabis, Possession with the Intent to Supply Cannabis, Being Concern in the Supply of Cannabis and Drug Trafficking.*



21st October 2016

The ONDCP conducted a counter-drug operation on Friday 21st October 2016 in the Powell's area which resulted in the arrest of two (2) Antiguan nationals and a seizure 4 ozs of cannabis. A subsequent search warrant was executed one (1) of the male's residence and an additional 170lbs 12ozs of compressed cannabis was seized. The drug carries an estimated wholesale value of six hundred and eighty-four thousand EC dollars (\$684,000 EC). Both men were charged with Possession of Cannabis. While one faced additional charges of Possession with the Intent to Transfer Cannabis, Being Concern in the Supply of Cannabis and Drug Trafficking.



23rd November 2016

On Wednesday 23rd November 2016, the ONDCP conducted another counter-drug operation. As a result of the operation which took place in the parking lot of the Mount St. John Medical Centre, an Antiguan national was arrested and 156lbs of cannabis was seized. He was charged with Possession of Cannabis, Possession of Cannabis with Intent to Transfer, Being Concerned in the Supply of Cannabis and Drug Trafficking. The drug, is believed to originate from Jamaica and carries an estimated wholesale value of six hundred and twenty-four thousand five hundred EC dollars (\$624,000.00 EC).

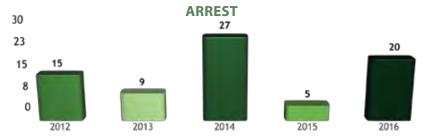


25th November 2016

On Friday, 25th November 2016, the ONDCP conducted an operation in the Cedar Grove area which resulted in the arrest of two (2) Jamaican nationals. Seized during the operation were several parcels of cannabis with a combined weighed of 170lbs, 6ozs. The cannabis which is believed to originate from Jamaica, carries an estimated wholesale value of six hundred and eighty-one thousand five hundred EC dollars (\$681,500.00 EC). In addition, a quantity of cash was found totalling five thousand four hundred and sixty Eastern Caribbean (EC) dollars and forty-five cents (\$5,460.45 EC). Both were charged with *Possession of Cannabis, Possession of Cannabis with Intent to Transfer, Being Concerned in the Supply of Cannabis and Drug Trafficking*.



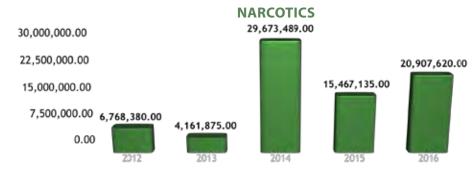
Amount of persons arrested during the period 2012



RESULTS

The Tactical and Surveillance Team has been doing its part in fulfilling the organization's mandate to "Focus concentrated attention on and go after illicit drugs kingpins and to secure Antigua and Barbuda's Ports of Entry against drug smuggling and terrorism"

Within the last 5 years (2012 – 2016), the team has arrested seventy- six (76) persons found to be engaged in drug trafficking activities (as seen in the figure below), and has been instrumental in removing over 642.49 kilos of cocaine, 13,598.4 pounds of cannabis and 8.38 pounds of hashish oil from the streets of Antigua and Barbuda. In total, the drugs carry an estimated value of seventy-six million, nine hundred and seventy- eight thousand, four hundred and ninety-nine EC dollars (\$ 76,978,499.00 EC).



National Authorities and Departments

No effective organization or department can operate in isolation and as such, the department continued to pursue partnerships with the other various departments within the ONDCP as well as with other law enforcement agencies governmental agencies and non-governmental organizations.

The Figure below highlights the various departments and or organizations that TAST has been corresponding with on a regular basis.



THE FUTURE

In the words of Aesop, "united we stand divided we fall" - stated way back in the 6th Century B.C in the story of the "The Four Oxen and the Lion" - the team stands together and is encouraged by the bond it shares internally as well as the support received from external stakeholders. This bond allows the team to grow from strength to strength in camaraderie and with the addition of four (4) new members, to also grow in numbers. Luke 12:48 posits that for unto whom much is given much is expected and the team, although operating on little, has achieved much. The department has had a great track record disrupting the flow of drugs across our borders and dismantling drug trafficking organizations. Unfortunately, the lure of "easy" money has always provided replacements to fill the voids we have created. As we look to the future, we look with anticipation in the hope of receiving our very own tailor made office space / headquarters that will adequately provide the facilities needed for such a unique operational team. We do realize and accept that good governance is not only about the role we as law enforcement officers plays in the protection of the country buy also in what we, as citizens, do to help keep our shores safe from the ravishes of drug and human trafficking and money laundering.

In going forward, it is the intent of the department to enhance the relationships between ourselves and other stakeholders but more importantly, foster a better working relationship with the general public, with a view of building on the existing action plan to put an end to the cross border movement of drugs, money and people.

NATIONAL ANTI- DRUG STRATEGY

The Anti-Drug Strategy Unit is the newest department within the Office of National Drug and Money Laundering Control Policy (ONDCP). It is charged with the following functions:

- The maintenance of a comprehensive overview of drug control activities of Government Ministries/Agencies, NGOs and community organizations and others entities concerned with drug control;
- Assistance in the development of policies and programmes for prevention of drug abuse, treatment and rehabilitation and supply reduction and related matters;
- The collection, compilation and analysis of national statistical and other data on drug abuse and illicit trafficking, including the regular conduct of surveys and studies that inform policy, and the regular assessment of the state of drug control and implementation of the National Anti-Drug Strategy;
- The preparation of reports and papers, including an Annual Report on the drug situation in Antigua and Barbuda, and the encouragement in, and assistance for, research and production of scholarly works by individuals:
- Cooperating with, and facilitating collaboration among Government Ministries/Agencies, non-governmental and community organizations and the media, to support the implementation of anti-drug projects, programmes and public information campaigns;
- In conjunction with the Ministry of Foreign Affairs and relevant Governmental entities, assisting in the implementation of obligations arising from the international drug control treaties, articulating Government policies in regional, hemispheric and international organizations, and participating in international standards setting exercises, including in the Caribbean Community, the Organization of American States, the Commonwealth and the United Nations;
- Cooperation with the Ministry of Foreign Affairs and other Ministries/Agencies and partners in carrying out Antigua and Barbuda's reporting obligations relative to drugs and related matters, as required under regional, hemispheric and international treaties and arrangements;
- Coordination of Antigua and Barbuda's delegations and representation of Antigua and Barbuda in bilateral, regional and international forums concerned with drug abuse and illicit trafficking;
- The convening, organization and management of national drug control forums, and assisting in the convening and organization of bilateral, regional and international meetings held in Antigua and Barbuda.

The strategy focuses on four (4) thematic areas to achieve its objectives:

- a) Institution Strengthening which addresses the nation's need to create an institution, namely, The National Drug Council, which will have the legal authority to efforts for prompt actions by its stakeholders;
- b) Demand Reduction which consists of a tiered approach utilising the family, school, church, workplace and community working together on health and wellness programmes;
- c) Supply Reduction and
- d) Control Measures linked as policies and procedures to strengthen the agencies responsible for law enforcement, public order and safety.

The year 2016 has been somewhat of an expansion year for the ONDCP and in so doing saw the establishment of the Anti-Drug Strategy Unit. The Unit commenced its operation on 13th June 2016 with a manager, and one other member of staff. The other member of staff was subsequently transferred to another department leaving the Unit severely strained with only the manager to carry out all of its functions.

A meeting was held to discuss the issue of reports of drugs being in the schools of Antigua and Barbuda, what is currently being done to address the situation, the anti-drug programmes being run and the general position of the use/abuse of drugs by the young people in Antigua and Barbuda. Following this meeting, the Unit produced a FACT Sheet highlighting issues of the prevalence of drugs in the secondary schools of Antigua and Barbuda.

After having been dormant for some time it was felt that there was a need to revitalise the National Drug Council. Letters were therefore sent out to the nine (9) agencies that make up the National Drug Council inviting them to a meeting at the ABDF Training Base to discuss the current drug situation, and how it may be addressed by the 2016-2020 Anti-Drug Strategy. The National Drug Council has since been reactivated and meetings are being held to draft the 2016-2020 Anti-Drug Strategy.

The ADSU serves as the National Drug Observatory (NDO). In this capacity its main efforts are to assist in reducing the national drug problem. This it does by providing factual, objective, reliable and comparable information concerning drugs and drug addiction and their consequences. The ADSU collects and produces information required by its national and international audiences, and satisfies the needs of four (4) groups of customers: decision-makers, the scientific community, professionals working in the drugs.

field and the general public. In order to collect the relevant data, the NDO relies on a network of stakeholders who possess the data. This is referred to as a Drug information Network Drug (DIN); Antiqua and Barbuda's Drug Information Network is called DINAB.

DIN Indicator forms were sent out to the relevant stakeholders for the purpose of collecting information on drugs, and related information. However, some stakeholders were rather laxed in their efforts to have the forms returned on time. This, therefore, required daily calls to be made to the delinquent parties in relation to having outstanding DIN Indicator Forms completed and returned.

Having collected the relevant data from the various stakeholders, a document, "Trends and Statistics on Drugs in Antigua: 1 January to 30 June 2016" was produced.

A combination of the January to June and the July to December Trends and statistics on drugs in Antigua, formed the basis of the Drug Information Network's Annual report for 2016. It was hoped to have this report published early in 2017, however due to shortage of human resources and some stakeholders having not submitted the data for 1st July to 31st December 2016, this has not yet been possible.

Prior to the establishment of the ADSU, The Inter-American Drug Abuse Control Commission (CICAD) has relied on the ONDCP to collect data from the lone drug treatment centre on island. This task was not the responsibility of any particular department; however with the commissioning of the ADSU this task now falls under its direct purview.

Treatment data was collected from Crossroads Centre Antigua for the period January-June 2016, the database was setup, the data entered and submitted to CICAD for analysis. Subsequently a copy of the preliminary analysis of the data which was submitted for the period January-June 2016 period was received from CICAD.

Recently there has been a move to establish a cooperative frame work aimed at bolstering cooperation between the Communities of Latin America and Caribbean States (CELAC) and the European Union countries (EU) in forging drug policies supported by objective monitoring instruments and based on reliable strategies. This initiative is known as COPOLAD.

The Manager of the ADSU travelled to Jamaica to attend the COPOLAD II 1st Annual meeting of National Drugs Observatories, which was held in Kingston from the 5th-9th December. The meeting was convened under the leadership of the National Council on Drug Abuse (NCDA) of Jamaica, the Inter-American Observatory on Drugs (OID), Inter-American Drug Abuse Control Commission, Organization of American States (CICAD/OAS) and the European Monitoring Centre for Drugs and Drug Addiction, (EMCDDA). The meeting was attended by a total of 64 delegates, primarily from Latin America, the Caribbean and Europe. The focus of this programme is one of supporting the enhancement of evidence based policies on drugs through strengthen the role and sustainability of the National Observatory on Drugs in each country.

During the COPOLAD meeting a number of working groups were established under the various Activities. In an effort to strengthen its Anti-Drug Strategy capacity Antigua and Barbuda Joined the Working Groups under Activities 1.3, 1.4 and 1.5.

- Activity 1.3. Early Warning Systems
- Activity 1.4. Design studies to evaluate and validate monitoring instruments for indicators of "problematic use" of drugs.
- Activity 1.5. Enhancing the capacity of NDO to elaborate and disseminate a Country Report on drugs.

The Department is still in its infancy and severely under resourced, but in time, it is envisioned that it will be the repository of all the national data relating to drugs and drug addiction and the producer of periodic surveys, fact-sheet, reports and even articles in peer-reviewed journals.

"All you need is the plan, the road map and the courage to press on to your destination."

- Earl Nightingale

PARTNERSHIPS

As was the case in previous years, in 2015 and 2016, the ONDCP partnered with several agencies on various projects, courses and operations. The Agency wishes to recognize those 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 _

 Aruba Anguilla

• British Virgin Islands Bermuda

Grenada

• Dominican Republic

• St. Kitts and Nevis • St. Lucia

• Turks and Caicos Trinidad & Tobago

Regional Security Systems

Bahamas

Barbados

Cayman Islands

Dominica

Guyana

Venezuela

• Haiti

• St. Vincent and the Grenadines • Montserrat

• IMPACS (JRCC, RIFC)

INTERNATIONAL -

- Australia
- EGMONT
- Canada (RCMP, FINTRAC)
- Polland
- USA (FBI, DEA, ICE)
- United Kingdom (NCA, ECFIAT, RSS ARU)



CONCLUSION

2016 marked 20 years since the inception of the ONDCP. Over the course of its 20-year existence, the ONDCP has lived up to its motto "Taking the Profit Out of Crime". The years 2015 - 2016 were no different, in fact where financial crime is concerned it was an extraordinary period that culminated in the forfeiture of over US\$66,000,000 of the proceeds of crime. In relation to drug trafficking, a total of 8,832.99 lbs of cannabis and 55.6 kilos of cocaine were seized.

Since the start of operations, approximately 48,000.00 lbs of cannabis, and nearly 1900 kilos of cocaine and other drugs have been confiscated from traffickers and or disrupted by the ONDCP. The ONDCP has forfeited approximately US \$70,000,000 or EC \$ 189,000,000, which it has delivered to the Government which uses it to fight crime, for the general benefit of the society, and which has also been shared with international partners who have participated in its operations.

The ONDCP continued to assert itself as an intelligence lead organization, as it actioned critical drug and financial intelligence in support of drug interdictions and financial investigations. Its Financial Analysis Unit acted as a driving force for ensuring the country's compliance with United Nations requirements to notify and have financial institutions check, freeze property of terrorists, terrorist organizations and the financiers of terrorism. The Financial Compliance Unit continued with its efforts to ensure that financial institutions and Designated Nonfinancial Businesses and Professions are supervised for compliance with national laws, AML/CFT regulations and guidelines and international standards as set by the FATF and in accordance with CFATF recommendations to enable a sound national economic structure.

The full accomplishments of the ONDCP cannot be appreciated without bearing in mind the limited resources the agency has available to it to tackle serious organized crime, which is a tribute to the productivity and dedication of its officers and members. The ONDCP's successes are not accomplishments that it has achieved on its own. The agency acts in concert with and in reliance on its local, regional and international law enforcement and intelligence partners. The ONDCP wishes to express its sincere gratitude to these entities 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 such dedicated officers and members, whose contributions have made this organization more efficient, earned and gained the respect of the society, and have assisted in its growth as a more professional organization. May God continue to protect the dedicated men and women of the ONDCP as they engage in their efforts to fight organized crime.

"Unity is strength, when there is teamwork and collaboration, wonderful things can be achieved"

- Mattie Stepanek





OFFICE OF NATIONAL DRUG AND MONEY LAUNDERING CONTROL POLICY

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