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<td>ACC</td>
<td>Anti-Corruption Commission</td>
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<td>Anti-Drugs and Smuggling Unit</td>
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<td>AFU</td>
<td>Asset Forfeiture Unit</td>
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<td>AFF</td>
<td>Asset Forfeiture Fund</td>
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<td>AM</td>
<td>Asset Management</td>
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<td>AMU</td>
<td>Asset Management Unit</td>
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<td>ARIN-AP</td>
<td>Asset Recovery Interagency Network - Asia Pacific</td>
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<td>Caribbean Asset Recovery Inter-Agency Network</td>
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<td>ARIN-EA</td>
<td>Asset Recovery Interagency Network - East Africa</td>
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<td>ARINSA</td>
<td>Asset Recovery Inter-Agency Network for Southern Africa</td>
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<td>ARIN-WA</td>
<td>Asset Recovery Inter-Agency Network - West Africa</td>
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<td>BURS</td>
<td>Botswana Unified Revenue Services</td>
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<td>CARIN</td>
<td>Camden Asset Recovery Inter-Agency Network</td>
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<td>CCID</td>
<td>Central Crime Investigation Division</td>
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<td>CRADEC/TJN</td>
<td>Centre Régional Africain pour le Développement Endogène et Communautaire / Tax Justice Network</td>
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<td>CTF</td>
<td>Counter Terrorism Financing</td>
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<td>DCEC</td>
<td>Directorate on Corruption and Economic Crime</td>
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<tr>
<td>DCEO</td>
<td>Directorate on Corruption and Economic Offences</td>
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<td>DEC</td>
<td>Drug Enforcement Commission</td>
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<td>DFID</td>
<td>Department for International Development</td>
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<td>DPP</td>
<td>Directorate of Public Prosecutions</td>
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<td>ESAAMLG</td>
<td>East and Southern African Anti-Money Laundering Group</td>
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<td>EU</td>
<td>European Union</td>
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<td>FATF</td>
<td>Financial Action Task Force</td>
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<td>FIC</td>
<td>Financial Intelligence Centre</td>
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<td>FIU</td>
<td>Financial Intelligence Unit</td>
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<td>GAFISUD</td>
<td>Grupo de Accion Financiera de Sudamerica</td>
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<td>GFI</td>
<td>Global Financial Integrity</td>
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<td>GPML</td>
<td>Global Program Against Money Laundering, Proceeds of Crime and the Financing of Terrorism</td>
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<tr>
<td>ICAC</td>
<td>Independent Commission Against Corruption</td>
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<td>ILEA</td>
<td>International Law Enforcement Academy</td>
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<tr>
<td>INL</td>
<td>Bureau of International Narcotics and Law Enforcement Affairs</td>
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<td>LMPS</td>
<td>Lesotho Mounted Police Service</td>
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<td>LRA</td>
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<td>MRA</td>
<td>Mauritian Revenue Authority</td>
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<td>NDPP</td>
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<td>National Prosecuting Authority</td>
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<td>RRAG</td>
<td>Rede de Recuperacion de Activos de Grupo de Accion Financiera de Sudamerica (GAFISUD) in South and Central America.</td>
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<td>SADC</td>
<td>Southern African Development Community</td>
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<td>SRA</td>
<td>Swazi Revenue Authority</td>
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<td>UBO</td>
<td>Ultimate Beneficial Owner</td>
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<td>UNCAC</td>
<td>United Nations Convention Against Corruption</td>
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<td>UNICRI</td>
<td>United Nations Interregional Crime and Justice Research</td>
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<td>UNODC</td>
<td>United Nations Office on Drugs and Crime</td>
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<tr>
<td>UNTOC</td>
<td>United Nations Convention Against Transnational Organized Crime</td>
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<tr>
<td>WLFC</td>
<td>Wild Life and Forestry Crime</td>
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<td>ZPA</td>
<td>Zambia Prosecuting Authority</td>
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<td>ZRA</td>
<td>Zambia Revenue Authority</td>
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To support international efforts in the combat of money laundering, the United Nations Office on Drugs and Crime (UNODC), through the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA), continued to provide technical assistance to the Member States in 2017, to enhance law enforcement capacity and ability to fulfil the international mandate on anti-money laundering (AML) by assisting participating countries to enhance the exchange of information and to model legislation on asset forfeiture, confiscation and money laundering.

Criminals are being deprived of the proceeds of crime in the region. The value of assets frozen, confiscated or preserved was over $76m by 31 December 2017 compared to $23m for 2016. Cash seized and placed in ring-fenced accounts has increased significantly. The impact of ARINSA is underscored by the increase in the number of cases. In 2017, 600 new money laundering cases have been reported by Member States in the region. 13 countries are now part of the ARINSA network, making the following up of proceeds of crime in the region more efficient. Mozambique and Madagascar joined the network in 2017.

A number of member countries are using UNODC resources to change, draft or adopt legislation. The number of AML cases brought before the courts and the total number of cases being investigated confirms the notion that there has been an improved sensitivity to money laundering in the region. A total of 600 new money laundering cases were considered in 2017 compared to 419 cases in 2016.

During 2017, investigators, prosecutors and magistrates reported that they had enhanced their skills in asset forfeiture investigation, prosecution and adjudication as a direct result of ARINSA’s interventions through technical assistance and training. Some of the interventions in 2017 included:

- 3 sessions of the Prosecutor Placement Programme facilitated in South Africa, in May, August and November, which benefitted 32 prosecutors from Burundi, Botswana, Lesotho, Malawi, Madagascar, Namibia, Swaziland, South Africa, Uganda, Zambia and Zimbabwe.

- 2 regional workshops on Countering the Financing of Terrorism, facilitated for 50 managers in Financial Intelligence units across Southern and Eastern Africa, held in Pretoria, South Africa and benefitting numerous countries that include Angola, Botswana, Burundi, Lesotho, Kenya, Malawi, Mauritius, Madagascar, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe.

- An Anti-Money Laundering workshop held in Madagascar during May 2017 towards the enhancement of anti-money laundering skills of 30 law enforcement agents in the capital of Antananarivo.

- A regional workshop on Tracing the Proceeds of Wildlife Crime facilitated in Tanzania during January 2017, resulted in 41 law enforcement officials from Southern and Eastern African countries honing their skills in following the proceeds of crime.
2 training workshops for rangers on Following the Proceeds of Wildlife Crime were conducted in Botswana, which benefited 40 rangers and officials from the Botswana Ministry of Parks and Wildlife in July 2017.

The ARINSA Annual General Meeting was held in June 2017, in Botswana, with over 100 participants in attendance on the first day. During the AGM, Madagascar and Mozambique were officially accepted into the ARINSA network.

3 Judicial Retreats hosted for the judiciary in Botswana and Lesotho, which saw over 80 judges and magistrates coming together to share and exchange experiences in combatting money laundering and following the proceeds of crime.

A cyber-crime and open source training workshop held in Windhoek, Namibia, during August 2017, benefitting 21 officials comprising Financial Investigation Unit (FIU) analysts as well as investigators and prosecutors from the Southern and Eastern African regions, including Madagascar, Seychelles, Kenya, Zimbabwe, Malawi, South Africa, Mozambique, Lesotho, Botswana, Zambia, Tanzania, Uganda and the host country Namibia.

A regional Beneficiary Ownership Workshop held in Pretoria, South Africa, during August 2017, advanced the skills of 30 analysts, prosecutors and investigators from Southern and Eastern African countries, including Zambia, Mozambique, Uganda, Burundi, Tanzania, Kenya, Swaziland, Madagascar, Namibia, Botswana, South Africa, Angola, Zimbabwe, Malawi, Mauritius and Lesotho.

4 regional workshops on Terrorist Financing facilitated in Pretoria, South Africa, strengthening the capacity of over 80 officials from the Financial Intelligence and Asset Forfeiture Units of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and ARINSA Member States, in countering terrorism financing.

A campaign for raising awareness on money laundering in the region involved 56 anti-money laundering awareness sessions being conducted by Member States, with a total of 699 participants impacted. In December 2017, membership of the ARINSA web platform had risen to 905 from 620 during the same time in 2016. The website platform had received a total of 422,531 hits since its launch on 1 July 2015 - an upsurge from 188,941 hits in 2016.

The UNODC e-learning platform is being utilised as a cost-effective approach for capacity building in the Member States, and the statistics are showing a steady increase in e-learning activities.

Member States continued to receive money laundering and asset forfeiture related requests through the countries’ contact point in 2017. There has also been a general increase in the number of requests received by other similar networks such as CARIN,
confirming the effectiveness of dealing with proceeds of crime through these types of networks. An increase in collaboration between counterparts in the Member States has also been noted.

Member States including Botswana, Lesotho, Madagascar, Mauritius, Malawi, Swaziland, Namibia, Tanzania, Zambia and Zimbabwe, continued to review their legislation, procedures and policies related to asset forfeiture during 2017. A number of Member States have more than one piece of legislation dealing with Money Laundering and Asset Forfeiture and are in the process of consolidating all into a single piece of legislation.

The development of asset forfeiture infrastructure is paramount in following of the proceeds of crime. The UNODC, through ARINSA, has been assisting countries in this regard throughout last year. In 2017, 77% of the ARINSA Member States had already established an Asset Forfeiture Unit (AFU). Lesotho, Swaziland, Malawi (in early stages), Mauritius, Namibia, South Africa, Tanzania, Zambia and Zimbabwe have all established an AFU. 38% of the ARINSA Member States, including Botswana, Lesotho, Mauritius, Namibia, South Africa and Swaziland, had set up an Asset Forfeiture Fund (AFF). Most of the Member States without an AFF, have provisioned for it in their legislation and are at advanced stages in establishing the fund. 30% of the ARINSA Member States, including Botswana, Mauritius and South Africa, had established an Asset Management Unit (AMU). Some Member States, through their existing organisational structures, have made provision for the management of confiscated assets.
1 Money Laundering

1.1 The Threats

1.1.1 Introduction

Criminal groups go to great lengths to conceal their source(s) of wealth, the location of their assets and the transfer of their illicitly generated funds. Money laundering - which is estimated to amount to between two and five percent of the global GDP - poses several threats in the region.


Southern Africa has not been immune to illicit financial flows as witnessed by the increase in the number of cash seizures at ports of entries and exits. Transnational organised crime across Southern Africa continued to increase in recent years. Illicit trade in the Southern African Development Community (SADC) region includes a range of items such as illicit drugs and precursor chemicals, small arms and light weapons, wildlife and natural resources, tobacco products and fraudulent medicines, as well as trafficking in persons and smuggling of migrants.

1.1.2 Threats in the Region

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

Illicit financial flows pose a number of threats, including:

- Fuelling corruption and organised crime, with corrupt public officials, for example, needing to be able to launder bribes and kickbacks, and organised criminal groups having to launder the proceeds of drug trafficking, wildlife trafficking and other crimes;

- Facilitating terrorism, such as where terrorist groups use money laundering channels to acquire the cash needed for buying arms and recruit foreign terrorist fighters;
• Damaging the reputation of banks, which in turn can harm legitimate financial institutions’ ability to harness capital needed to ensure strong, long term economic growth; and

• Harming the long-term prospects of developing countries’ efforts to reduce poverty, given that ‘dirty money’ can have a devastating impact on attracting the kind of solid long-term foreign direct investment that is based on stable conditions and good governance.

The criminal justice systems of most jurisdictions in the SADC region are generally weak in the face of the challenges posed by organised crime, and in particular, financial crimes and money-laundering. Law enforcement agents regularly focus on confiscating physical objects such as bags of money, drugs, rhino horns etc., rather than tracking and seizing the proceeds of crime from the criminal networks.

1.2 United Nations Office on Drugs and Crime Mandates

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

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

The United Nations Convention Against Trans-National Organized Crime is the main international instrument to counter organised crime and a critical force underpinning coordinated international cooperation to that end. Adopted by a resolution of the United Nations General Assembly in 2000, it is supplemented by three protocols that target trafficking in persons, especially women and children; smuggling of migrants; and illicit manufacturing of and trafficking in firearms.

As the Secretariat to the Convention, which now enjoys near-universal adherence, UNODC is mandated to help governments create the domestic legal framework needed to investigate and prosecute criminal offences and adopt new frameworks for extradition, mutual legal assistance and international law enforcement cooperation. Further mandates come from the General Assembly, the Economic and Social Council, as well as the Commission on Crime Prevention and Criminal Justice resolution. UNODC’s work also enables States to prevent crime and assist and protect victims and witnesses.

The United Nations Office on Drugs and Crime (UNODC), through its GPML programme, is providing technical assistance to SADC member states to address the problem of money laundering, guided by the following international instruments: three Drug Control Conventions (Convention on Psychotropic Substances [1971], United Nations Convention Against Illicit Traffic in Narcotic Drugs and Psychotropic Substances
1. Money Laundering

1.3 Money Laundering: Asset Recovery Inter-Agency Network for Southern Africa (ARINSA)

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

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

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

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

Combating money laundering in the region is of critical importance and taking the proceeds of crimes from corrupt public officials, traffickers and organised crime groups remains one of the most effective ways to stop criminals. To address this, ARINSA works to confront the laundering of illicit proceeds through a range of approaches, including coordination with other regional networks, providing technical assistance and capacity building programmes, and deploying in-country mentors to directly assist States.

1.3.1 ARINSA’s Objectives

Towards achieving its aim, the ARINSA network shares the following objectives:

- Focus on the proceeds and instrumentalities of all crimes, within the scope of international obligations;
- Establish itself as a centre of excellence on all aspects of tackling the instrumentalities and proceeds of crime;
- Promote the exchange of information and good practice;
- Establish a network of contact points;
Facilitate and promote the establishment, where possible, of national centres of excellence in all aspects of tackling the proceeds of crime;

Make recommendations to other bodies such as the Eastern and Southern African Anti-Money Laundering Group (ESAAMLG) and SADC, relating to all aspects of tackling the proceeds of crime;

Act as an advisory group to appropriate authorities;

Facilitate, where possible, training in all aspects of tackling the proceeds of crime; and

Recognise the importance of cooperation with the private sector in achieving its aim.

1.3.2 ARINSA Partner Networks
ARINSA has partnered with other ARIN type networks that are spread across the globe.

These include:

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

1.3.3 ARINSA Donors
In 2017, funding for the ARINSA programme included contributions from the Department for International Development (DFID) in the United Kingdom (UK) and the Bureau of International Narcotics and Law Enforcement Affairs (INL) at the United States Department of State.

In 2017, INL also provided support to ARINSA through GPML. The funding was directed towards offering anti-money laundering technical assistance, training courses and mentoring programmes in the region.

1.3.4 Membership
ARINSA membership status is open to all African countries. The following countries are currently full members of the ARINSA network: Botswana, Lesotho, Madagascar,
Mauritius, Malawi, Mozambique, Namibia, South Africa, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe. Madagascar and Mozambique are the youngest members of the network, having been officially accepted at the Annual General Meeting held in Gaborone, Botswana in June 2017. Uganda made an application to join the network in 2017.

The following map indicates the spread of membership across the region.

![ARINSA membership in 2017]

Membership of the ARINSA network is determined by the ARINSA steering committee once an application has been received. Countries currently interested in becoming ARINSA members include Angola, the Democratic Republic of the Congo, Kenya, Burundi and Uganda.
2 Case Results and Successes

2.1 Establishment of Legal and Regulatory Frameworks

One of UNODC’s mandates on AML is the establishment of legal and regulatory frameworks as well as the infrastructure and skills required.

Key achievements have been the assistance of member countries in establishing Asset Forfeiture Units, Asset Forfeiture Funds and Asset Management Units. These are vital components in developing an effective asset forfeiture regime.

During 2017, the following developments were made in establishing the units to address the proceeds of crime and money laundering issues. This information was provided in a survey of the member states:

- 77% of the ARINSA Member States have established an Asset Forfeiture Unit
- 38% of the ARINSA Member States have set up an Asset Forfeiture Fund
- 30% of the ARINSA Member States have established an Asset Management Unit

Table 1: AML infrastructure in ARINSA

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>AFU</th>
<th>AFF</th>
<th>AM</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>Malawi</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Mauritius</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Madagascar</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Mozambique</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Namibia</td>
<td>Yes</td>
<td>Yes</td>
<td>No</td>
</tr>
<tr>
<td>South Africa</td>
<td>Yes</td>
<td>Yes</td>
<td>Yes</td>
</tr>
<tr>
<td>Swaziland</td>
<td>Yes</td>
<td>No</td>
<td>Yes</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Zambia</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Yes</td>
<td>No</td>
<td>No</td>
</tr>
<tr>
<td>Seychelles</td>
<td>No</td>
<td>No</td>
<td>No</td>
</tr>
</tbody>
</table>

The percentage of countries without AFUs has decreased from 80% to 77% in 2017 due to the introduction of new Member States. The number of AM units increased from 18% to 30% due to the establishment of an Asset Management Unit in Swaziland. AFFs have increased from 30% to 38% due to the same reasons stated above.
2.2 AML Legislation in ARINSA

Member States continued to review legislation, procedures and policies related to AML in the region during 2017. Countries that reported to having reviewed the legislation and having put procedures and policies in place included Botswana, Lesotho, Madagascar, Mauritius, Malawi, Swaziland, Namibia, Tanzania, Zambia and Zimbabwe. Several Member States have more than one piece of legislation dealing with Money Laundering and Asset Forfeiture and are in the process of consolidating their legislation. The types of asset forfeiture legislation also differ per country where these are categorised as either conviction-based or non-conviction-based. Some countries are using both categories.

Table 2: The distribution of the types of AM legislation in countries

<table>
<thead>
<tr>
<th>COUNTRY</th>
<th>Conviction Based</th>
<th>Non-Conviction Based</th>
<th>No. of Reviews, Policies and Procedures in 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>Yes</td>
<td>Yes</td>
<td>5</td>
</tr>
<tr>
<td>Lesotho</td>
<td>Yes</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>Malawi</td>
<td>Yes</td>
<td>No</td>
<td>12</td>
</tr>
<tr>
<td>Mauritius</td>
<td>Yes</td>
<td>Yes</td>
<td>5</td>
</tr>
<tr>
<td>Madagascar</td>
<td>-</td>
<td>Yes</td>
<td>1</td>
</tr>
<tr>
<td>Mozambique</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Namibia</td>
<td>Yes</td>
<td>Yes</td>
<td>15</td>
</tr>
<tr>
<td>South Africa</td>
<td>Yes</td>
<td>Yes</td>
<td>-</td>
</tr>
<tr>
<td>Swaziland</td>
<td>Yes</td>
<td>Yes</td>
<td>11</td>
</tr>
<tr>
<td>Tanzania</td>
<td>Yes</td>
<td>No</td>
<td>4</td>
</tr>
<tr>
<td>Zambia</td>
<td>Yes</td>
<td>Yes</td>
<td>14</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>Yes</td>
<td>Yes</td>
<td>68</td>
</tr>
<tr>
<td>Seychelles</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>136</strong></td>
</tr>
</tbody>
</table>

A total of 136 reviews, procedures and policies were implemented by ARINSA member countries in 2017.

Madagascar had drafted their first ever legislation on following the proceeds of crime, which was passed by government on 11 June 2017 and by the council of ministers on 13 June 2017. The legislation is currently awaiting the adoption thereof by the senate and then parliament.
2.3 Awareness Raising Workshops in Member States

Member States commissioned a campaign aimed at raising awareness of money laundering and its predicate crimes. The awareness raising workshops were facilitated for the judiciary, prosecutors, investigators, FIU analysts, financial investigators, revenue authorities, police officers and other government officials. The workshops assisted in raising awareness and advising officials in legal and law enforcement on ways to identify suspected criminality that leads to money laundering.

Table 3: Awareness raising in member countries

<table>
<thead>
<tr>
<th>Country</th>
<th>No. of Awareness Sessions</th>
<th>No. of Participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Botswana</td>
<td>3</td>
<td>70</td>
</tr>
<tr>
<td>Lesotho</td>
<td>1</td>
<td>40</td>
</tr>
<tr>
<td>Madagascar</td>
<td>6</td>
<td>99</td>
</tr>
<tr>
<td>Malawi</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Mauritius</td>
<td>5</td>
<td>100</td>
</tr>
<tr>
<td>Namibia</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Swaziland</td>
<td>12</td>
<td>80</td>
</tr>
<tr>
<td>Tanzania</td>
<td>2</td>
<td>42</td>
</tr>
<tr>
<td>Zambia</td>
<td>5</td>
<td>98</td>
</tr>
<tr>
<td>Zimbabwe</td>
<td>22</td>
<td>170</td>
</tr>
<tr>
<td>TOTAL</td>
<td>56</td>
<td>699</td>
</tr>
</tbody>
</table>

A total of 56 awareness raising sessions were carried out in member countries, benefitting 699 participants. Increased awareness may also be attributed to the increase in the number of new AML cases in 2017.

2.4 AML Results for 2017

This annual report provides an in-depth account of the performance of anti-money laundering efforts realised in ARINSA member countries in 2017. The performance accounted for in this report can largely be attributed to the selfless and dedicated efforts of law enforcements officers, the judiciary, mentors and other government officers involved in the fight to identify proceeds of crime. These dedicated individuals are ensuring the adherence to the ARINSA slogan: *Leave criminals with nowhere to hide.*

The performance of ARINSA during 2017, is built on the successes of previous years and are directly proportionate to how well ARINSA has adapted to the challenges that the region continually faces. Several training workshops were arranged by the UNODC to address new challenges appearing in the region, including among others,
cybercrime, terrorism financing and the recruitment of foreign terrorist fighters. ARINSA's performance for 2017 can be qualified by the fact that there has been an average increase of over a 100% in all categories, including new money laundering cases, asset forfeiture cases, confiscation orders, preservation orders and forfeiture orders. This Annual Report illustrates the significant progress made by ARINSA in its efforts to follow the proceeds of crime in Southern and Eastern Africa.

In 2017, the total value of proceeds from crime, as reported by member countries, amounted to $76,121,288.26. In 2016, the value was reported at $23,028,168.26. The value of the proceeds of crime has therefore increased by 231%.

![Figure 2: Value of proceeds of crime](image)

The number of new AML cases reported in member countries increased from 355 in 2016 to 600 in 2017, representing an increase of 69%. Asset forfeiture cases increased by 139% to 567 cases. 149 reported cases involved asset seizures and of those cases, 45 were granted, resulting in $4,632,721.98 worth of assets being seized.

A total of 261 preservation order cases were reported by member countries in 2017, and assets worth $38,264,849.39 were preserved. This is an increase of 200% from the figures of 2016.

Confiscation orders worth $15,635,900.05 from 54 cases, represented an increase of 571% from the previous year.
Table 4: AML Statistics for ARINSA for 2016 and 2017¹

### ANTI-MONEY LAUNDERING STATISTICS - 2017

<table>
<thead>
<tr>
<th>Country</th>
<th>New ML cases</th>
<th>Asset Forfeiture Cases</th>
<th>Cases with Asset Seizures</th>
<th>Confiscation Order Cases</th>
<th>Confiscation Orders ($)</th>
<th>No. of Preservation Order Cases</th>
<th>Preservation Orders</th>
<th>No. of Vehicles Confiscated/Forfeited</th>
<th>Value of Vehicles SeIZED ($)</th>
<th>Other Assets Seized ($)</th>
<th>Other Assets Seized ($)</th>
<th>Money or assets Forfeited</th>
<th>Forfeiture Orders ($)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Zimbabwe</strong></td>
<td>68.00</td>
<td>56.00</td>
<td>22.00</td>
<td>5.00</td>
<td>8.00</td>
<td>2 548 000.00</td>
<td>5.00</td>
<td>2 400 000.00</td>
<td>1 340 000.00</td>
<td>12 000 000.00</td>
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<td>-</td>
<td>-</td>
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<tr>
<td><strong>Mauritius</strong></td>
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<td>26.00</td>
<td>332.00</td>
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<td>5.00</td>
<td>827 940.00</td>
<td>-</td>
<td>-</td>
<td>512 794.00</td>
<td>541 176.00</td>
<td>5.00</td>
<td>134 716.00</td>
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<tr>
<td><strong>Zambia</strong></td>
<td>14.00</td>
<td>273.00</td>
<td>177.00</td>
<td>17.00</td>
<td>21.00</td>
<td>38 000.00</td>
<td>170.00</td>
<td>450 000.00</td>
<td>94 178.00</td>
<td>463 172.00</td>
<td>24.00</td>
<td>71 444.00</td>
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<tr>
<td><strong>Maldives</strong></td>
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<td>143.00</td>
<td>1.00</td>
<td>-</td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Lesotho</strong></td>
<td>1.00</td>
<td>1.00</td>
<td>1.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Botswana</strong></td>
<td>5.00</td>
<td>4.00</td>
<td>4.00</td>
<td>-</td>
<td>-</td>
<td>318 561.00</td>
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<td>4 303 601.00</td>
<td>-</td>
<td>-</td>
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<td>7.00</td>
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<td>2.00</td>
<td>7 871 622.02</td>
<td>60.00</td>
<td>72 422.00</td>
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<td><strong>Seychelles</strong></td>
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<td>-</td>
<td>-</td>
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<td>-</td>
<td>-</td>
<td>-</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Namibia</strong></td>
<td>15.00</td>
<td>11.00</td>
<td>11.00</td>
<td>12.00</td>
<td>1.00</td>
<td>59 230.00</td>
<td>1.00</td>
<td>4 615.00</td>
<td>7 692.00</td>
<td>1 153.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Swaziland</strong></td>
<td>11.00</td>
<td>37.00</td>
<td>4.00</td>
<td>5.00</td>
<td>4.00</td>
<td>1 261 151.00</td>
<td>1.00</td>
<td>200 000.00</td>
<td>680 250.00</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td><strong>Tanzania</strong></td>
<td>4.00</td>
<td>8.00</td>
<td>9.00</td>
<td>9.00</td>
<td>13.00</td>
<td>15 635 900.05</td>
<td>14.00</td>
<td>721 826.00</td>
<td>332 431.00</td>
<td>6.00</td>
<td>500 653.00</td>
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<td>-</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>136.00</td>
<td>600.00</td>
<td>567.00</td>
<td>149.00</td>
<td>54.00</td>
<td>261.00</td>
<td>38 264 849.39</td>
<td>112.00</td>
<td>4 249 884.84</td>
<td>-</td>
<td>13 337 932.00</td>
<td>45.00</td>
<td>4 632 721.98</td>
</tr>
</tbody>
</table>

### ANTI-MONEY LAUNDERING STATISTICS - 2016

<table>
<thead>
<tr>
<th>Country</th>
<th>New ML Cases Taken/Considered</th>
<th>No. of Asset Forfeiture Order Cases</th>
<th>Value of assets Seized/Confiscated Frozen ($)</th>
<th>No. of Confiscation Order Cases</th>
<th>Value of Confiscation Orders (%)</th>
<th>No. of Preservation Order Cases</th>
<th>Value of Preservation Orders ($)</th>
<th>No. of Vehicles Confiscated/Forfeited</th>
<th>Value of Vehicles SeIZED ($)</th>
<th>Other Assets Seized ($)</th>
<th>Value of Other Assets Seized ($)</th>
<th>Total Proceeds of Crime</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Namibia</strong></td>
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¹ These results do not include South Africa
Other assets seized, including gold and cattle, increased by 135% from last year and a total value of $13,337,932.00 in assets were recovered as proceeds of crime. In 2017, emphasis was placed on asset management, implementing policies and procedures and AML awareness raising sessions.

2.5 Case Summaries by Country

In 2017, member countries reported that they had received 600 new AML cases, a significant increase from 2016 in the number of cases of money laundering and proceeds of crime.

2.5.1 Madagascar

In the interview in August 2015, between ARINSA experts and the Committee representatives, the focus was directed towards the legal framework, the seizure and confiscation mechanism and the management of confiscated illicit assets.

Since then, Madagascar has led a process of submitting draft legislation on the confiscation of illicit assets through a technical committee to reflect on the draft law. This committee comprises the different services and authorities involved in the seizure, freezing and confiscation proceedings. Accordingly, reforms have been made in Malagasy legal systems, including:

- The introduction and application of confiscation without a criminal conviction;
• The establishment of a central agency responsible for the management and recovery of seized and confiscated property;
• The cooperation and the sharing of information between the national services and authorities concerning seizures, freezing and confiscation; and
• The establishment of a management monitoring mechanism and the movement of these assets for transparency in the management of seized and confiscated property.

This law will harmonise national arrangements for seizure, freezing, blocking of funds and confiscation. The law project was adopted by the Council of Ministers on 13 June 2017 and sent to parliament. It is currently in the adoption court at parliament level.

On other fronts, Madagascar has benefited from various training courses, including a workshop on the theme of beneficial ownership, as well as training for operations on the counter financing of terrorism. In the latter, the participation of an SRF officer and a member of the Gendarmerie strengthened the bilateral cooperation between the two institutions in this area; enabled the SRF and Gendarmerie employees to be aware by the trained personnel; and made allowance for the development of a draft strategy for the fight against the counter financing of terrorism.
2. CASE RESULTS AND SUCCESSES

2.5.2 Malawi

2.5.2.1 Domestic Legal Reforms

In 2016, the Malawi parliament repealed the Money Laundering, Proceeds of Serious Crime, and Terrorist Financing Act, which was replaced by the new Financial Crimes Act that became operational on the 14\textsuperscript{th} of February 2017. Several new cases have been identified for testing under the new FCA.

The Financial Intelligence Authority (FIA) previously the FIU, has been established and given powers to investigate any matter in the quest to combat money laundering (Section 5 (c)). The position of a Receiver, for Property Management, has also been established.

Fines for contravening the Act have, in comparison, been increased substantially, with the maximum sentence being life imprisonment. The Act further provides for civil forfeiture, seizure, detention, freezing and preservation of assets, as well as for the establishing of a Confiscation Fund.

2.5.2.2 Successes - Statistics

Cashgate

From 2011 to date, the DPP, ACB and MPS have been conducting corruption and money laundering investigations. An estimated K25 billion (US $ 30,059,945.50) in government funds was shown to have been abused or stolen. It was found that public officers had registered their own companies and paid themselves without supplying any goods or services to government. Public officers also colluded with building contractors and paid contractors for services not rendered.

A total of 108 public officers and private business individuals were arrested for corruption and money laundering offenses, 90 accused persons were charged with money laundering, and 14 suspects were successfully convicted.
Drugs Investigation

USAID and the Global Fund jointly funds the procurement of malaria drugs to Malawi Government, to the value of K20 billion (US $27,247,956.40) annually. It was found however, that drugs worth K9 billion (US $12,261,580.38A), or 45% of the total procurement, had been stolen. As a result of the continued theft of the drugs, the US Government resolved in 2015 to discontinue supporting Malawi in the procurement of malaria drugs.

As malaria remains the biggest killer disease in Malawi, the Malaria Drug Shortage in Malawi is highly alarming. Hospitals were referring patients to buy malaria drugs from private pharmacies. Most of the malaria drugs sold by private institutions are government drugs intended to be dispensed for free.

The investigators teamed up with ACB and MPS officers and proceeded to raid six locations simultaneously, during which huge quantities of drugs were discovered and seized. The investigations further revealed that drugs were not only being stolen in Malawi, but also in many other African countries, including Kenya, Mozambique, Zambia and Niger, among others.
Maizegate Investigation

On 3 January 2017, the Anti-Corruption Bureau of Malawi (the Bureau) received a complaint alleging that the state grain marketer, known as Agricultural Development and Marketing Corporation (ADMARC) bypassed its Board of Directors in the procurement of 100,000 metric tons of maize, valued at around MK26 billion (US$34.5), from Zambia Cooperative Federation (ZCF), through the privately owned Zambian company, Kaloswe Commuter and Courier Company, who played the role of an intermediary in the deal.

The purchase amount was about MK9.5 billion more than the estimated MK15 billion which ADMARC would have paid had it procured the maize directly from the Zambian Government.

This procurement was necessitated by the drought that hit southern African states during the 2015 to 2016 growing season. The Ministry of Agriculture and other independent stakeholders had projected a deficit in maize yield (Malawi’s staple food) of 1,200,000 metric tonnes. An estimated 6.5 million Malawians were therefore threatened with acute food shortage.

To avert the hunger crisis, maize had to be imported, since local stocks were deemed too expensive by government, and Zambia was identified as a source.

The Bureau conducted its investigations, with the then Minister of Agriculture and Food Security, Dr George Chaponda, senior officials at ADMARC, and owners of the privately-owned company TransGlobe, as the subjects of investigation.

In February 2017, Bureau officials conducted searches at the residential premises of Dr Chaponda and Mr Tayub, Operations Director of TransGlobe. The search at Dr Chaponda’s residence resulted in the seizure of US$ 57,000; MK 124,000,000; ZAR 22,000; and other foreign currencies in smaller amounts. Cell phones and computers
were also seized from Dr Chaponda and Mr Tayub during the search, for forensic examination. Subsequently, the Bureau arrested Dr Chaponda and Mr Tayub.

The corruption investigation revealed that Dr Chaponda abused his office by influencing the Chief Executive of ADMARC to buy maize from Transglobe. Investigations found that Dr Chaponda had hand-picked Transglobe to supply maize to ADMARC, without following the procedures specified by Malawi’s Public Procurement Act. Mr Tayub currently stands accused of influencing a public officer to act corruptly. Prosecution of the suspects commenced in September 2017 and is still ongoing.

MAIZEGATE INVESTIGATION

Figure 6: Newspaper cutting on the maizegate investigation

Figure 7: US Dollars seized from Dr Chaponda’s bedroom
2. CASE RESULTS AND SUCCESSES

2.5.2.3 Notable Cases

Cashgate thief, Godfrey Dzanjalimodzi, jailed for 8 years

The High Court in Lilongwe has sentenced contractor Godfrey Dzanjalimodzi to eight years in jail for theft and money laundering of K338million in connection with the cashgate scandal.

He had made the following cheque deposits into the account of WG Construction, a company he co-owned: K18,672,508.80 on 30 April 2013, K24,236,430.80 on 29 June 2013, K91,568,744.10 on 21 August 2013, K54,777,862.80 on 8 August 2013, K88,999,802.14 on 11 August 2013 and K78,654,259.65 on 23 August 2013. He would then proceed to transfer the money into his personal account.
During the court proceedings of the case, the State proved that Dzanjalimodzi was the only one who knew the password to the electronic banking facility of the company’s account, and that he did not heed questions from fellow directors when they queried the unusual movements in the account.

In January this year, Judge Ivy Kamanga, presiding over the case, found Dzanjalimodzi guilty on both charges. She added: “Going by his conduct with fellow directors, he was a willing participant in defrauding government. I am satisfied that the WG Construction account was used to steal government money as appearing in the charge sheet and I find the accused guilty as charged.”

On the charge of money laundering, Kamanga stated that by banking the cheques in the company’s dormant account and then transferring them into his personal account, constituted an act of money laundering.

Justice Kamanga sentenced Dzanjalimodzi to serve three years in prison for theft and five years for money laundering, running consecutively and bringing the sentence to 8 years. He left the court crying uncontrollably. He joins the list of other politicians, businesspersons and civil servants to be convicted and jailed on various charges related to the cashgate scandal.

Former Principal Secretary in the Ministry of Tourism, Treza Namathanga Senzani (who died in December 2017), was the first convict from the more than 50 people arrested in connection with the fracas, to be sentenced. Senzani was apprehended in 2013 having issued two cheques to her own company, for the provision of goods or services to the government, which, according to police, never transpired.

Former assistant accountant in the government, Victor Sithole, later joined her on the list of convicts. Sithole was jailed for nine years after being found guilty of being in possession of unexplained cash amounting to K112 million, $31 800 and R122 400, suspected to have been stolen from the public coffer.

Malawi Congress Party (MCP) Deputy Director of Youth, Wyson Zinyemba Soko, was also sent to prison for seven years. Soko was found in possession of MK40.9 million ($90 000), attained by corrupt methods.

The scandal saw donors withdrawing their support to Malawi amid similar revelations - this time led by civil servants - during which billions of kwachas went uncounted for in a scandal better known as Cashgate.

**Republic vs Kanthenga**

A pharmacist was convicted of theft of government drugs worth millions over a period of two years. He was sentenced to 16 years imprisonment. The maximum sentence for such theft of public property is life imprisonment. We are currently tracing the proceeds of this particular crime, hopeful to make a forfeiture application soon.
2.5.2.4 Environmental Crimes

Republic vs Kaundas

The Kaunda brothers were intercepted by police and found in possession of 781 pieces of ivory, estimated to be worth MK5BN ($7MN), in the back of their truck. This represented more than 390 elephants killed. The suspects were arrested and convicted and the offences were both finable and imprisonable by default. The convicts paid a fine of MK 5MN/$7000. However, the court has been asked to review the fine upwards to above $7 million. The court was also asked to dispose of the ivory, which was eventually incinerated.

Figure 10: A truck full of ivory

Figure 11: Ivory in flames
Appeals
Ivory worth MK5BN was confiscated and the suspects were convicted and fined MK5MN. The Republic is appealing to the Supreme Court to review the fine upwards.

Illegal Logging of Timber
Thirty-five (35) illegal timber loggers were arrested in the Lengwe Forest Reserve in May 2017. More than 10 trucks being used to conduct their illegal activities, were seized as instrumentalities and forfeited to the state. Cash of more than MK 600MN/$817,000 was also seized in the process and over 1 million logged trees were also forfeited to the state. The perpetrators were convicted and sentenced to 18 months imprisonment.

Figure 12-14: Illegal logging of timber

2.5.2.5 Asset Recovery
The ACB and MPS investigated an official within the Tourism Ministry. He fraudulently procured 6 new Marcopolo buses using a government cheque. The cost of the buses amounted to K520 million Kwacha ($708,446.87). The Ministry denied any knowledge of the procurement. The investigations led to the recovery of the buses, and the suspect was convicted and is currently awaiting sentencing.
2. CASE RESULTS AND SUCCESSES

2.5.2.6 Challenges in Asset Recovery

The ACB lacked training in seized asset management. While the Prosecutor Placement Programme (PPP), hosted annually by ARINSA, has aided tremendously in terms of best practices. The lack of experience in asset management has however resulted in the deterioration of assets. In one such case, an accused whose trucks were seized, was eventually acquitted on a technicality.

With the assistance of a mentor, an Asset Management Policy is currently being drafted. A separate policy had been drafted by a mentor on the seizure of suspicious cash. This policy will become part of the Standing Orders for the ACB. Both the policy and Standing Orders are to reflect the updated changes laid out in the new FCA.
2.5.3.1 Restraint Orders

PostBank Case

Two Information Technology specialists from PostBank specialists, and their immediate families, have been arraigned on 1,438 counts pertaining to cyber theft. They had linked their ATM cards to various dormant accounts, funded these accounts, withdrew monies and modified and deleted information on the database. These activities took place from February 2015 to March 2016, effectively on a daily basis, thereby stealing a collective sum of M5.3 million.

Four vehicles, comprising a 2016 Ford Ranger, 2015 Toyota Hilux, Renault Megane and Volkswagen Polo 5; immovable properties; pension and terminal benefits have all been restrained.

2.5.3.2 Preservation Orders

Lesotho Chess Federation

The president of the organisation requested a budget to run the office from the World Chess Federation. The budget was approved. He requested the President of the WCF to deposit the money into his personal account as the LCF account was not operative due to lack of the second signatory. He requested USD 10,000 to be deposited into his personal account while USD 5,000 were to be deposited into the LCF account, and assured that he would later sort the accounts. Instead of providing his personal banking details, he provided his spouse’s account details. Nonetheless, WCF transferred the money into the spouse’s account. With this money, he purchased a Toyota RunX vehicle, paid lobola and various household items.

We managed to preserve the Toyota RunX. The matter is opposed, the application has been argued on the 1 June 2017 and we are currently awaiting judgement.
2. CASE RESULTS AND SUCCESSES

Auction of Proceeds

![Diagram showing auction of proceeds](image)

**Figure 18: Proceeds of crime from Lesotho**

### 2.5.3.3 Cases Under Review - Metropolitan Case

This matter involves around 1 million. Suspects had a list of people who had investments with Metropolitan and whose claims had matured. They would forge identity documents using software that produces passports, forge signatures and submit claims. One of the suspects’ girlfriends is a South African citizen who has accounts with both ABSA and FNB. Metropolitan would then pay the claimant into the accounts of the girlfriend, and the suspects would share the proceeds thereafter.

Fortunately, the girlfriend has been cooperating with the police and provided her bank information pertaining to the transactions. (MLA would not be necessary).

We have triggered asset forfeiture investigations to follow the monies and property. We have also involved IT specialists to retrieve the computer information pertaining to claims and email correspondences between the suspects.

### 2.5.3.4 Training & Technical Assistance

Since 2014, 5 prosecutors have already been trained on asset forfeiture. A prosecutor and an investigator were sent to the Botswana Training Centre for Exhibit and Asset Management training and have completed a third phase in March. Since their return, the duo has been busy under the mentorship of the UNODC mentor. The aim is to establish an Exhibit and Asset Management Office.

Three officers had the opportunity to visit Uganda for benchmarking Asset Declaration processes. They are also being mentored with the aim of establishing an Asset Declaration Office.

An investigation manual has been developed, incorporating global Excel-based registries to operate on an interim basis, until a permanent electronic case
management system is developed and implemented, that will enable and ensure real-time capture of operational and statistical information for predicate offences, AML/CFT and asset recovery, ensuring integrity of investigation standards and guidance.

2.5.3.5 Legislative Developments
- Money Laundering and Proceeds of Crime Amendment Act 2016;
- Money Laundering and Proceeds of Crime Regulations 2017 (Bill stage); and

2.5.3.6 Challenges
- Political will.
- Budget constraints: The budget was refused by former Minister because she was being investigated on a Bidvest corruption case. The former Deputy Minister and chairman of the budget allocation committee has also refused the budget proposal because he is being investigated on corruption matters as well.
- Lack of staff compliment, especially on asset forfeiture investigations. The current investigators are focused mainly on criminal investigations.

2.5.4 Tanzania
Tanzania has continued its efforts in taking profits out of crime. A number of restraint and forfeiture applications have been filed in courts and some restraint and confiscation orders have been secured.

Despite successes registered during the last year, challenges remain that need to be addressed to ensure the successful recovery of the proceeds of crimes.

Eight applications have been filed in court for the restraint of properties worth USD 11.7 Million. Of these applications, six have been granted and two applications are pending in court. Properties frozen include houses, plots of land and motor vehicles.
2. CASE RESULTS AND SUCCESSES

Figure 19: A stand that was bought from the proceeds of crime

Figure 20: Confiscated vehicles

Figures 21-22: Frozen properties
2.5.4.1 Confiscation & Forfeiture Applications

- 7 forfeiture applications have been filed in courts.
- 5 concluded and forfeiture orders granted.
- Applications are still pending.
- Crimes involved range from corruption, fraud, money laundering to illegal timber crimes.
- Houses, plots of land, timber and motor vehicles worth TZS Two Billion (USD 900,000) have been forfeited.
- 27 confiscation orders have been obtained against properties involved in 27 cases, in which the accused have been convicted.
- Properties confiscated include 28 motor vehicles, 6000 heads of cattle, 6.242 kg of Gold, 2,429 timbers and cash - all properties collectively estimated at USD 1,473,831.

Figure 23: Frozen property

Figure 24: This piece of land with mountains was bought from proceeds of crime
2. CASE RESULTS AND SUCCESSES

Figure 25-27: 3 Vehicles were hidden in a container with second-hand clothes to avoid customs officials

Figure 28: Gold bars

Figure 29: Cash
2.5.4.2 Challenges

- Lack of adequate provisions in the management and disposal of frozen and forfeited properties.
- Management of restrained assets through trustees appointed by the courts have proved expensive.
- POCA is also silent on what the forfeited properties may be used for.

2.5.4.3 Reaction to the Challenges

- Using stakeholders in the government framework to manage the property where the Trustee may not be appointed.
- Amending POCA and developing Regulations to address the majority of asset management issues.

2.5.5 Seychelles

Seychelles was formally admitted as a member of the Asset Recovery Inter-Agency Network Southern Africa (ARINSA) in June 2016. From 12-16 September 2016, specialist training was provided by ARINSA to enforcement agencies and prosecutors in the Seychelles, on the confiscation of assets emanating from the proceeds of crime and money laundering. While the FIU has the primary enforcement role in Seychelles, other agencies in attendance included the police, NDEA, SRC, AG’s Office and the courts, in a cross-agency approach to asset confiscation.

One official from Seychelles FIU gained technical skills on open source information gathering from a cybercrime workshop held in Namibia. Additionally, two officials from the Seychelles FIU gained significant knowledge and skills from the training on Terrorist Financing, which was held in Pretoria during September and October 2017.

2.5.5.1 Better Asset Management

Following the ARINSA workshop held in Seychelles in September 2016, participants were familiarised on the investigative tools, restraining orders, money laundering indictments, confiscation statements, civil forfeiture and mutual legal assistance. With regards to forfeiture, further awareness was raised on the risks and costs of poor asset management. Through case study examples, participants acquired knowledge of best practices in asset management, e.g. quicker processes for the disposal of fixed assets, preventing unnecessary costs to the Seychelles FIU.

- 11 vehicles seized by the FIU.
- Four bank accounts seized.
- Land worth SCR 650,000 (approx. $48,293) seized.
2. CASE RESULTS AND SUCCESSES

2.5.5.2 Section 5 (Disposal) Orders Granted

Case A
A case was reported in May 2014 by the National Drug Enforcement Agency, involving cash from suspected drug trafficking and amounting to SCR87,280 (approx. $6,442) and 45 Euro. An application for a receivership order was filed in the Supreme Court in November 2014 and a Receivership Order was granted in April 2015. An application for disposal was filed in January 2017 and the same was granted in March 2017, uncontested.

Case B
A case of suspected drug trafficking involving a sum of SCR101,905.00 (approx. $7,562) was reported by the National Enforcement Agencies in August 2014. The FIU filed for a receivership order and the same was granted in November 2015. A disposal order was finally granted in March 2017, uncontested.

- Yacht worth USD 250,000 seized.
- Luxury apartment worth USD 500,000 seized.

Figures 30-33: Seized properties and assets
2.5.5.3 Pending Cases in Court

An application for a receivership order involving an amount of SCR75,000 (approx. $5,566) is being contested. An application for a disposal order involving an amount of 25,000 USD, application is also being contested.

A criminal charge of money laundering and forgery to the amount of 22,000 Euro, involving four suspects, is currently being heard in the courts. The suspects have pleaded not guilty and the case is still undergoing trial.

2.5.5.4 International Cases

The Seychelles FIU currently has a total of 24 international cases which are still in the court process.

• Four disposal orders have been granted for the year 2017, amounting to 28,000 Euro and USD 47,900;
• Disposal orders pending in court amounting to 415,222 Euro; and
• Six disposal orders amounting to USD 422,257 and 2,556,483 Euro.

Company A

An account belonging to a Seychelles International Business Company (IBC), incorporated on the 14th of June 2012, was frozen on 9 September 2013. The total funds in the account at the time of the FIU freezing directive amounted to USD 5,226.12.

As appears from the company’s bank statement, the first lodgement was made by a Belizean company, a “warning notice and cease and desist order” was issued by the International Financial Services Commission of Belize, disclosing that the Belizean company had been offering brokerage services in forex market and trading securities without the required license, amounting to an offence under the laws of Belize. The inward transaction raised a concern as to the legitimacy of the funds lodged in the Seychelles and reinforced the suspicion of the Seychelles FIU that the company’s account in Seychelles was being used to facilitate the flow of illegally obtained funds through the Seychelles.

A disposal order was granted on 8 March 2017.

Company B

An amount of USD 14,465 belonging to an Ultimate Beneficial Owner (UBO) of Company B was frozen. The FIU established that the UBO and account signatory was a member of an Estonian cybercrime gang which had been involved in substantial cybercrime and closely associated with the malware community for many years.
2. CASE RESULTS AND SUCCESSES

The US Federal Bureau of Investigation (FBI) conducted worldwide investigations into the affairs of this Estonian crime gang, and as a result of those investigations, a grand jury sealed an indictment.

The indictment alleged that the defendants, including the said UBO and account signatory, had been “engaged in a massive and sophisticated scheme” that infected at least 4 million computers, located in over 100 countries, with a malicious software or ‘malware’, and that without the computer users’ knowledge or permission, the malware digitally hijacked the infected computers to facilitate the defendants commission of internet advertising fraud and other cybercrime.” The said UBO and account signatory remains at large to this date and his whereabouts are unknown to the FBI.

According to the said indictment, the FBI believes that a benefit of at least USD 14 million has been achieved by the suspected criminal and that the sum in aggregate is property that represents, or is traceable to and derived from, proceeds traceable to the wire fraud offenses.

A disposal order was granted on 29 March 2017.

Company C and D

The accounts of Company C and D were frozen on 10 September 2014 and 5 January 2015 respectively. Company C was the principal remitter of funds into the account of Company D. Both companies had the same UBO. The bank accounts of the two companies were used for laundering the funds associated with a fraud offence.

A disposal order for Company C was granted on 8 February 2017 (USD 28,434.74), and a disposal order for Company D was granted on 10 May 2017 (EUR 28,000).
### Table 5: Value of recoveries for Seychelles

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2.5.6 South Africa

2.5.6.1 Asset Forfeiture Unit (AFU)

The AFU has enjoyed a spectacular year, exceeding its targets in all its 9 key performance indicators despite severe budget cuts the organisation continues to experience, which have posed a significant impediment to the AFU’s ability to perform optimally.

Amongst the strategies that produced positive results were the unit’s focus on high-value cases using the civil forfeiture regime.

2.5.6.2 Number of Completed Forfeiture Cases

During the year under review, the AFU completed 572 forfeiture cases compared to 396 forfeitures in the previous year. A significant number of these cases were opposed high-value complex cases that were carried over from the previous year.

2.5.6.3 Value of Freezing Orders Relating to Corruption or Offences Related to Corruption Where the Amount Benefitted is More Than R5 Million

During the year under review, freezing orders to the value of R627.3 million were obtained against a target of R600 million, resulting in an overachievement of 5%. In the previous financial year, the amount frozen amounted to R243.8 million.
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2.5.6.4 Number of Freezing Orders

The unit secured 377 freezing orders against a target of 324 in the year under review, which reflects a year on year improvement of over 9%. This positive result can be attributed to improved coordination with its partners and a concerted effort to resolve the inhibiting factors.

2.5.6.5 Value of Completed Forfeiture Cases

The AFU obtained forfeiture and confiscation orders to the value of R423.6 million against a target of R230 million, resulting in an overachievement of 82%. The continued focus on high value cases and the increased use of non-conviction-based forfeiture contributed to the excellent performance. The value of completed forfeiture cases in the 2015/16 financial year was R349.6m. This means that there was a 20% improvement in the year on year performance.

Table 6: Annual comparison of value of completed forfeiture cases

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value of Completed Forfeiture Cases</td>
<td>R164m</td>
<td>R119m</td>
<td>R296.4m</td>
<td>R1.940bn</td>
<td>R349.6m</td>
<td>R423.6m</td>
</tr>
<tr>
<td>Target</td>
<td>R224m</td>
<td>R167m</td>
<td>170m</td>
<td>R180m</td>
<td>R210m</td>
<td>R230m</td>
</tr>
</tbody>
</table>

2.5.6.6 Value of Recoveries in Terms of POCA

Recoveries in terms of POCA were obtained to the value of R219.5 million, significantly exceeding the target of R170 million by 29%. This was due of a significant number of matters that had been rolled over from the previous financial years.

Table 7: Value of recoveries over five years

<table>
<thead>
<tr>
<th>Payments to Victims</th>
<th>2011/12</th>
<th>2012/13</th>
<th>2013/14</th>
<th>2014/15</th>
<th>2015/16</th>
<th>2016/17</th>
<th>Cumulative</th>
</tr>
</thead>
<tbody>
<tr>
<td>R93.8m</td>
<td>R28.6m</td>
<td>R84.4m</td>
<td>R1 658m</td>
<td>R390.2m</td>
<td>R149 m</td>
<td>R352.5m</td>
<td>R2.4bn</td>
</tr>
<tr>
<td>Payments into CARA</td>
<td>R37.3m</td>
<td>R34.8m</td>
<td>R98.5m</td>
<td>R58.2m</td>
<td>R69.16m</td>
<td>R219m</td>
<td>(Identified payment and recoveries)</td>
</tr>
<tr>
<td>Value of Recoveries into POCA (Victims + CARA)</td>
<td>R131.1m</td>
<td>R63.4m</td>
<td>R182.9m</td>
<td>R1 716.2m</td>
<td>R444.2m</td>
<td>R2.7bn</td>
<td>(Identified payment and recoveries)</td>
</tr>
</tbody>
</table>
2.5.6.7 Success Rate
A success rate of 99% was achieved, which can be attributed to a more cautious approach in case selection relating to the large complex cases being handled in terms of Chapter 5, and a more aggressive approach in pursuing cases using the civil forfeiture regime.

2.5.6.8 Value of Recoveries in Relation to Corruption Where the Amount Benefited is More than R5 Million (Proceeds of Crime and Government Losses)
A recovery result of R122.7 million was achieved against a target of R50 million, thus exceeding the target by 145%.

2.5.6.9 Value of Recoveries From Government Officials Convicted of Corruption and Other Related Offences (Proceeds of Crime and Government Losses)
A result of R1.16 million was achieved against a target of R300 000. This performance is credited to a single case involving a recovery of more than R1 million. In the previous financial year, a result of R1.3 million was achieved, which leads to a year on year result of 10% above that of the previous year.

2.5.6.10 Noteworthy Cases
During the period under review, the AFU focused on cases addressing several priority crimes such as drugs and gangsterism, fraud, corruption, environmental crimes and illicit financial flows, amongst others. The cases mentioned hereunder are some of the notable cases that were undertaken to address these focus areas.

Addressing Drug Dealing Activities

NDPP v Faadwaan Murphy
This is a matter that involved a certain high-flying drug dealer in the Western Cape, whose assets consisting of 5 immovable properties, 24 motor vehicles, and several bank accounts to the total value of R9.4 million, were seized by the unit on the basis that they were proceeds from drug dealing activities.

NDPP v Kraak
The unit obtained a preservation order against a certain immovable property used for the cultivation and processing of dagga in Pinelands, Cape Town. The unit has since filed a forfeiture order and the matter is pending in court.

NDPP v Theron
A preservation order was granted against a house in Durbanville, Cape Town, which was used as a sophisticated hydroponic dagga cultivation and processing operation. Various other drugs, including Methylene Dioxy Methamphetamine (Ecstasy),
Methcathinone (CAT), Lysergic Acid (LSD) and Amphetamine, to the estimated value of R1 319 815, as well as cash in the amount of R134 090, were also found and seized.

NDPP v Camal Mussa Waziri

The AFU obtained a final forfeiture report in respect of a drug dealer in Limpopo found in possession of drugs to the value of R90 000, including a cash amount of around R240 000 and a vehicle used to convey the drugs from Mozambique (through Limpopo) to Zimbabwe and Botswana. The case highlights the on-going intervention that the AFU, together with its counterparts, have embarked on in tackling transnational organised drug dealing syndicates.

**Section 18 Confiscation Rollout Initiatives**

The AFU Western Cape, working closely with its counterparts, the NPS and the SAPS, continues their intervention to address several drug related community irritants in the Western Cape. In this regard, the unit has obtained 87 confiscation orders to the total value of R2.6 million in several drug related cases.

**Section 51 Notices in Respect of Rented Premises Used for Drug Dealing Activities**

The AFU, working closely with the SAPS and NPS amongst others, identified five houses in in the Bellville-Parow area of the Western Cape that were rented and used by several illegal foreign nationals for drug dealing activities. The unit issued out five notices in terms of Section 51 of POCA, a precautionary warning to the respective owners of the said premises to take steps towards ensuring that said premises did not continue to be used for unlawful activities, and further warning them of the consequences should such activities continue on the said premises.

The said notices have resulted in, amongst others, the evictions of several of the identified implicated tenants and occupants by their respective landlords and the discontinuation of the said activities in most of the aforesaid premises.

The AFU has embarked on a nationwide campaign to prevent the usage of rented premises for drug dealing activities.

**Addressing Gangsterism**

NDPP v Christian Prinsloo

A Western Cape police colonel in charge of the SAPS firearm store was involved in stealing several firearms and selling them to various gangsters over a certain period. After being charged and convicted for theft, money laundering, racketeering and corruption, the AFU obtained a confiscation order to the value of approximately R1.1m against him. The unit further obtained a restraint order against the assets of several other gangsters that bought the stolen firearms from Prinsloo after they were charged for their involvement.
Addressing Corruption

The aforementioned Prinsloo case also addresses government corruption, more specifically in the JCPS Cluster. As indicated above, he was convicted for corruption, amongst other charges, and a confiscation order of R1.1 million was granted against him.

NDPP v Dawjee and others

The AFU obtained a restraint order against Dawjee, a private individual, and four senior SAPS officers, Lieutenant General Arno Lamoer, a retired Provincial Commissioner, Brigadier Darius van der Ross, Brigadier Kohlindhren Govender and Brigadier Sharon Govender, who were implicated in several incidences of fraud and corruption. The gratifications included cheque deposits into bank accounts, payments for cars rented, payment for guesthouse accommodation, petrol accounts, payment for home pool maintenance and more. This is yet another case that indicates the gravity of the JCPS cluster in rooting out corruption amongst its own members.

NDPP v Hattingh

The case in question addressed corruption at municipality level. The AFU, working together with the City of Cape Town and the SAPS, obtained a restraint order valued at approximately R7.5m against the assets of a certain Paul Matthew Hattingh, who allegedly abused his position as a member of the Bid Adjudication Committee of the municipality to award certain tenders to companies owned by his wife and daughter. The matter is also still pending.

NDPP v Nawal Peters

A confiscation order in the amount of R90 000 against a clerk of the Department of Basic Education was recovered and paid into the Criminal Asset Recovery Account.

NDPP v Leon Crawford

A further confiscation order to the amount of R7 000 was granted against a member of the SAPS employed as an Admin Clerk. The amount has since been paid into the Criminal Assets Recovery Account.

NDPP v Motaung

The AFU obtained a forfeiture order to the amount of R35 000 against Malefetsane Petrus Motaung, a Captain in the SAPS and stationed at the Sasolburg Police Station as Head of Supply Chain Management. Motaung was charged for theft, fraud and corruption after he stole and used fuel cards linked to three SAPS vehicles that were recommended for boarding and write-off, for his personal benefit.

NDPP v Lintoe

The AFU Free State office obtained a restraint order to the amount of R3.9 million against Nkosi Piet Lintoe, a regional finance manager employed by SASSA in Bloemfontein. He was charged with fraud and corruption after he manipulated the
SCM processes during the acquisition of service providers for the distribution of food parcels intended for indigent persons in the province. The criminal trial is pending in the regional court in Bloemfontein.

**NDPP v Majola and Others**

The AFU in KZN obtained a restraint order to the amount of R547 million against several assets of a syndicate involving senior officials from the Department of Transport in KZN, and several companies and individuals who colluded in fraudulently circumventing the Department of Transport’s supply chain management processes. Several substantial corrupt payments were made to various department officials. The said individuals were charged with fraud, corruption and money laundering, amongst others.

**KZN Department of Rural Development**

The AFU KZN Office obtained numerous preservation orders relating to several farms that had been fraudulently sold and transferred to various entities including fraudulently created Trusts. During the period under review, several farms to the amount of R55.6 million were returned to the Department of Rural Development and Land Reform.

**NDPP v Trifecta and Others**

The AFU Northern Cape obtained a confiscation order for the amount of R59.8 million that had been fraudulently claimed and charged by a company known as Trifecta. A lease agreement was fraudulently concluded between Trifecta and the Northern Cape Provincial Government, in contravention of the supply chain management processes.

**Addressing Illegal Mining**

**NDPP v Moahla**

The unit obtained a preservation order in respect of R410 300 in cash which was found in the possession of Roseline Jabulile Moahla, an employee at Harmony Gold Mine in Odendaalsrus. The cash was found concealed in her locker in a black refuse bag and it was found to be proceeds of illegal mining.

**Addressing Environmental Crimes**

In its operational planning for the current financial year the AFU undertook, amongst other goals, to address abalone drying facilities more robustly. The following successes are notable:

**NDPP v Basson**

Working together with its partners, the AFU obtained a forfeiture order in respect of a farm to the value of R6.7 million in Tulbagh, Western Cape. The farm was used
solely for abalone poaching and as a drying and processing facility. Evidence indicated that the farm was also bought with proceeds from illegally poached abalone.

**NDPP v Gemini**

The AFU Western Cape obtained a forfeiture order in respect of a boat valued at R178 000, which was used by an abalone poaching syndicate to transport illegally harvested abalone. The boat was bought with proceeds of illegally harvested abalone and had continuously been used in the depletion of marine resources.

**NDPP v Orrie**

The AFU and its partners obtained preservation and forfeiture orders in respect of a motor vehicle valued at around R99 000 that was seized for being an instrumentality in the illegal Moreover, a total of 38 confiscation and forfeiture orders, to the value of about R11.9m, were further obtained in the financial year leading up to 20 February 2017.

**NDPP v Mazuze**

A white rhino bull belonging to Mapungubwe SANParks was poached. Investigations led to the arrest of one rhino horn dealer based in Gauteng, who led the police to Mazuze, a Mozambican residing in South Africa. It was alleged that Mazuze sold the horns to a Chinese dealer in Mozambique for over R1 million. Mazuze was arrested in Mpumalanga and stood trial in Musina where he was convicted for dealing in rhino horn. When he was arrested he was found in possession of cash to the amount of R248 600, which was subsequently forfeited as it was believed to be the proceeds of rhino poaching.

**Addressing Stock Theft**

**NDPP v Liebertrau**

The unit obtained a restraint order in the amount of approximately R500 000 against Albert Liebetrau who stole and sold 224 head of cattle and calves valued at R1.3 million, as well as 98 sheep, to a stock theft syndicate.

**Addressing Money Laundering and Illicit Money Flows**

**NDPP v Wright**

A forfeiture order was obtained in respect of a cash amount of R2 968 135 and a motor vehicle valued at R82 640 that were established to have been involved in money laundering.

**NDPP v ASANI**

A forfeiture order was granted in respect of a cash amount of over R76 million and a Hilux bakkie valued at around R400 000, which was used to transport the said cash amount from Mozambique into South Africa, concealed in a false compartment inside the vehicle.
NDPP v Wang Matter

The unit obtained a forfeiture order in respect of R25 million in cash that was to be laundered out of South Africa by a certain international money laundering syndicate. Upon the interception of the said funds by the South African Reserve Bank (SARB), a syndicate member was arrested and charged for corruption after she attempted to bribe an official from SARB with R5 million.

NDPP v Rollen Olince

The AFU obtained a preservation order and a forfeiture order for an amount of R981 380 in cash as well as a Toyota Hilux bakkie valued at R390 000. Rollen Olince was travelling in a Toyota Hilux when he was stopped by traffic officers en route from Cape Town to Johannesburg. When traffic officers searched his vehicle, they found a box containing R931 380 in cash for which he failed to provide any explanation as to its source and origins. Investigations further established that the said funds were linked to several unlawful activities.

NDPP v Mohammed Baig

The unit obtained a preservation order in the amount of R21 285 518 in cash, found and seized from Mohammed Baig who was about to board an international flight to Dubai at Bram Fisher Airport, Bloemfontein. Upon being questioned about the said cash, Baig was unable to provide an acceptable explanation as to the source and origins of the funds. Investigations revealed that Baig was part of a broader money laundering syndicate involved in the smuggling of currency in and out of South Africa.
2.5.7 Swaziland

2.5.7.1 Legislation and Infrastructure

Swaziland has recently put legislation in place for the establishment of an Asset Forfeiture Unit, Asset Management and an Asset Forfeiture Fund. Previously, various separate pieces of legislation were employed to deal with money laundering and asset forfeiture cases. All the pieces of legislation have now been consolidated.

Rhino Poaching

Two Taiwanese poachers were ordered to replace the four rhinos they dehorned, by paying a sum of E160 000. This translates to E40 000 per rhino. In addition to replacing the rhinos or compensating the owners of the animals, Hsiao Chen Hao (54) and Chen Bei-Hsun (30) have been sentenced to 29 years imprisonment each.

They were convicted of contravening the Game Act of 1953, in that they were found in possession of 24 pieces of rhino horn worth approximately E29 million at King Mswati III International Airport on 25 February 2017, en route to Taiwan. They were charged with unlawful possession, trading or trafficking and exporting rhino horn. For unlawful possession, they were sentenced to nine years imprisonment each, and 11 years for trading and trafficking the horn pieces.

Judge John Magagula further sentenced them to a period of 9 years for exporting the trophies of rhino horn. The judge ordered the sentences to be run concurrently, meaning that each of the convicts will serve a prison term of 11 years. If they fail to compensate the owners of the rhinos, they will serve an additional sentence of four years each, bringing the total to 15 years.

Three of the rhinos were poached in the Republic of South Africa while the fourth was dehorned in Swaziland. The sentences have been backdated to 25 February 2017, the date on which they were arrested. When the convicts appeared in court for sentencing, they were without legal representation, as their lawyer, Osbourne Nzima, had withdrawn his services. After they were convicted, the pair filed an urgent application seeking an order that their trial should start afresh.
2.5.8 Botswana

2.5.8.1 Introduction

The AFU was formally established in 2015 and is housed at the offices of the Directorate of Public Prosecutions (DPP) in Gaborone. The unit is currently staffed with 6 trained asset forfeiture prosecutors who have greatly benefited from the Prosecutor Placement Programme (PPP) introduced by ARINSA in collaboration with the National Prosecuting Authority of the Republic of South Africa.

The unit depends on law enforcement agencies from Botswana Police Service, BURS, and the Directorate on Corruption and Economic Crime (DCEC) for its case load.

2.5.8.2 AFU Case Load

DPP v Khato Civils and Others

A restraint order granted by the Court of Appeal on the 14th December 2016 is currently in place. The amount under restraint was initially estimated at approximately BWP 26 million. The matter is currently under investigation for possible offences of money laundering and other financial crimes.

DPP v David Loftus William

A Civil Penalty Application in terms of which an order for BWP 1.9 million was granted and is still valid. However, the said matter is currently pending review before the High Court. This is an old DCEC matter with a pending criminal case.
DPP v Outoppe Sonke Holding PTY LTD and Others
A restraint order granted for the sum of approximately BWP 7.5 million, as well as a new Range Rover.

DPP Vs Aid & Development
Investigations yielded no fruit in both asset forfeiture and criminality.

DPP vs Nomsa Sekani and Banc ABC
The AFU is still awaiting the forwarding of certain information from the police which relates to the investigation.

DPP vs Linnete Habana and Gaborone North Community Development Trust
The matter has been closed due to insufficient evidence. It also does hold any asset forfeiture potential.

DPP v Mokgokong and 33 Others
Pending.

Burs V Longrich (Pty) Ltd
This matter was referred to BURS as it also does not hold any asset forfeiture potential.

2.5.8.3 Training Programmes
- Two prosecutors with the DPP were attached to the ARINSA/ NPA Prosecutor Placement Programme in May/June 2017.
- The office also intends to capacitate regional offices by stationing at least one trained asset forfeiture prosecutor per region.

2.5.8.4 Developments
- Promulgation of PICA Regulations: Input was given before the draft was submitted to the legislative division of the Attorney General.
- Appointment of the Receiver: Instructions were directed to MDJS to immediately appoint the Receiver. Advertisements have however been flighted in various newspapers.
• Confiscated Asset Trust Fund: The instruction has long been given and the establishment order had been sent to AFU for correction and input. This has since been sent back for onward transmission to the legislative division of the Attorney General.

2.5.8.5 Challenges

• Lack of action by law enforcement agencies whenever a restraint order is successfully granted.
• Delayed or no response from law enforcement agencies to subsequent orders by the AFU.
• Investigation dissonance amongst law enforcement agencies.
• Lack of coordination amongst law enforcement agencies.
• Insufficient capacity relating to financial investigations for the purposes of asset forfeiture litigation.
• The Receiver that is yet to be appointed.
• Confiscated Assets Trust Fund (CATF) that is also yet to be set up.
• PICA Regulations are also yet to be passed and still only exist in draft form.

2.5.9 Zambia

2.5.9.1 Introduction

The Anti-Money Laundering Investigations Unit (AMLIU) implemented its programmes and activities, drawing on the Strategic Plan (SP) for 2013 - 2016 (although it expired in December 2016 and a new SP is currently being formulated).

The unit is charged with the responsibility of enforcing the Prohibition and Prevention of Money Laundering Act No. 14 of 2001, as amended by Act No. 44 of 2010, whose main objective is to prevent and control money laundering activities in order to protect the economy of the country. The ancillary objective is to develop awareness programmes that will strengthen the mechanism for public awareness on the dangers and effects of money laundering.

2.5.9.2 Planned Activities

The unit had planned to carry out investigations in at least 220 cases countrywide. It was expected that from the 220 cases, at least 70 cases (i.e. 50 new cases received within the year 2017, and 20 cases which were being investigated as carryover cases from previous years) were to be investigated, and suspects taken to court.
and prosecuted. Furthermore, at least 150 cases, comprising 50 carryovers and 100 longstanding Suspicious Transaction Report (STR) files are to be closed after full investigations.

Moreover, the unit had planned to undertake 12 awareness campaigns on the dangers and effects of money laundering to both the private and public sectors.

2.5.9.3 Programmes and Activities Implemented in the Year

Reports Received

On 1 January 2017, the unit opened with 600 files as carryover cases from 2016 and further back. During the period under review, the unit received a total of 301 countrywide reports that were considered for investigations as money laundering cases from public and private sectors.

In addition, the unit received four Suspicious Transactions Reports from the Financial Intelligence Centre (FIC). Cumulatively, the unit had 905 files in the database countrywide. Of the 905 reports, 168 were received and considered in Lusaka, while 137 were received and considered in 7 other provinces.

Arrests

The unit arrested a total of 80 persons in Lusaka, involved in 47 cases, while 54 persons from 41 cases were arrested by officers in provinces, resulting in a cumulative total of 88 and 134 persons arrested across the country. The amount relating to the 88 cases in which suspects were arrested is K39, 358,056.80 and US$ 432,781.00.
Closed Cases
The unit closed a total of 212 cases under different category headings. These were cases in which the offence of money laundering, or any predicate offence, was not established (alternative headings included closed - undetected, insufficient evidence, withdrawn by complainant and closed on false inquiry).

Convictions, Acquittals/Discharges
Across the country, a total of 28 persons were convicted for money laundering offences during the period under review, with Lusaka recording 12 and provinces recording 16. Furthermore, of the 28 persons convicted, 15 were convicted for both predicate and money laundering charges, while 13 were convicted on predicate offences only. The conviction sentences ranged from 1 year to 7 years.

Concerning acquittals and discharges recorded countrywide, 6 persons were acquitted, and 1 person was discharged, giving a cumulative total of 7 persons.

Seizures
The following properties were seized countrywide during the year 2017 as proceeds of crime and are pending court processes:

- 31 bank accounts with combined balances amounting to ZMW 1,525,765.93 (US$ 152,576,593) and US$ 37,695.09;
- Cash to the value of ZMW 30,000.00 and UK£ 130.00 (equivalent to US$3000 and US$176.00);
- 32 residential flats with an estimated value of ZMW 14,400,00.00 (US$ 1,440,000);
- 8x 3-bedroomed houses with an estimated value of ZMW 5,500,000.00 (US$ 550,000);
- 33 motor vehicles (various makes) estimated to the value of ZMW 2,500,000.00 (US$ 250,000);
- Various household goods estimated at ZMK 138,900.00 (US$ 13,890) in value;
- Various commercial equipment with an estimated value of ZMK 249,000.00 (US$ 24,900); and
- Office furniture and equipment estimated at ZMK 92,300.00 (US$ 9,230).

The total value of the items seized during the period under review is US$ 155,081,308.09.

Forfeitures
The following properties across the country were forfeited to the State during the period under review:
• Cash amounting to ZMW 177,505.00 (US$ 17,751);
• 8 motor vehicles with an estimated value of ZMW 445,000.00 (US$ 44,500);
• Livestock (15 cattle, sheep and goats);
• Various household goods valued at ZMW 147,700.00 (US$ 14,770); and
• Chainsaw valued at ZMK 70,000.00 (US$ 7,000).

The total value of the items forfeited during the period under review is US$ 84,021. 5 motor vehicles were restituted to the complainants after the court process.

The Unit had 605 active cases under investigation as at the 31st of December 2016.

2.5.9.4 Money Laundering Awareness

During the period under review, 54 activities, which included the training of specific target groups on planned money laundering topics and general awareness of the public on the dangers and effects of money laundering, were undertaken countrywide. The activities included the training of personnel in the banking sector, accountants in both public and private sectors, and defence and security personnel during their in-service programmes.
Other money laundering awareness activities were conducted during roadshows and open days such as Africa Public Service Day, Women’s Day, as well as at church and similar gatherings.

Figure 39: Bicycles seized as instrumentalities of crime. The bicycles were used to illegally export maize into the Democratic Republic of Congo from Zambia.

2.5.9.5 Conclusion
The emphasis on administrative and civil forfeiture strategies employed by the unit saw a paradigm shift in financial investigations, which yielded an increase in the value of properties seized, forfeited to the state and restituted to the complainants. This achievement can largely be attributed to the efforts and dedication of the officers and technical support in the form of a donation by our internal stakeholders of desktop computers and laptops to the operations of the unit.

Moreover, the international stakeholders (UNODC, ARINSA and the International Law Enforcement Academy (ILEA)), who provided capacity building programmes on topics such as beneficial ownership and financial investigations, boosted the morale of officers to go the extra mile.

2.5.10 Namibia

2.5.10.1 Asset Recovery Fund
The Asset Recovery Committee responsible for the Asset Recovery Fund had their first meeting in June 2017, and during this meeting they allocated an amount of N$10 000 000 to the Nampol Asset Forfeiture Division as well as an amount of N$20 000 000 towards the investigation of Namibia’s biggest fraud case involving over 3.5 billion Namibian dollars. The fund also allocated N$5 000 000 towards legal costs arising from asset recovery related applications and resolved that the house and vehicles forfeited to the fund should be sold and the proceeds thereof used to purchase vehicles for the AFU as well as the Nampol unit dealing with asset recovery.
2.5.10.2 Mentorship Programme
The UNODC’s mentor to Namibia conducted three training sessions which focused mainly on the management of cases under investigation and analyses of bank statements, among other things. Training was further provided on the ways in which some of the investigators prepared their case dockets and also enabled most investigators to analyse bank statements and identify the need for further supporting documents without the assistance of the prosecutors.

2.5.10.3 Successes
On 20 June 2017, the Supreme Court upheld our appeal in the cases of Taapopi POCA 8/2014 - this matter relates to a fraud case committed against the Namibian Defence Force. The state appealed to the Supreme Court after the High Court dismissed a provisional preservation order on the basis that notice of the preservation application was not given to the interested party as provided for in terms of regulation 7 of the regulations to POCA. The Supreme Court found that preservation applications are brought ex-parte and no notice is required at that stage of the proceedings.

2.5.10.4 Negative Outcomes in Opposed Forfeiture Cases
During 2017, the AFU had four opposed forfeiture applications which were all heard by the High Court. Two of the opposed forfeiture applications were dismissed and the other two were struck from the roll. The value of the forfeiture applications was N$11 650 00 and the outcome of the applications can be summarized as follows:

China Logjian Engineering Pty Ltd (Poca 8/2016)
During this case Nampol found over N$4 000 000 in cash at a house rented by a Chinese company. The money was discovered after Nampol found a box with cash in
2. CASE RESULTS AND SUCCESSES

a car which they searched at a road block. The money found in the house was sealed by Nampol and left at the house, and the occupants were warned not to touch the sealed cash until the members of Nampol returned. When Nampol returned to the house the next day the cash was gone. Nampol discovered that an amount of N$5 000 000 was deposited into the Chinese national’s lawyer’s trust account and the lawyer’s account was subsequently preserved in terms of POCA, on the basis that it was considered as proceeds in terms of section 7 of the general law ordinance and money laundering.

The forfeiture of property application was struck from the roll due to the fact that the preservation application was allegedly not served on one of the interested parties. The application and the order were in fact served, but the return of service only reflected the serving of the preservation order, and not the application. The state did not appeal this matter but decided to pursue the criminal investigations for possible confiscation proceedings.

China South Industry POCA 2/2017

This matter emanated from the country’s large fraud case and the State was able to preserve over N$2 000 000 on the basis that it was considered proceeds of fraud, tax evasion and money laundering. At the forfeiture hearing, an issue of service was raised as a point in limine and despite the merits, the Court dismissed the forfeiture application on the basis that the forfeiture application was not served on the interested party within the 120-day period prescribed by POCA, even though the state argued that the interested party had not complied with the provisions of POCA when they filed their notice to oppose. The state has appealed this matter.

2.5.10.5 Asset Seizures and Progress

NAMPOL’s new AML offices in Windhoek are located inside a gated secure compound that is patrolled by security 24/7. 7 vehicles have been seized by the unit in 2017. In 2017, the AFU Namibia was awarded $N10,000,000.00 ($851,200.00) from the Asset Forfeiture Fund to procure new equipment and vehicles for following the proceeds of crime.
The unit has also received approval from government to set up an independent Asset Management Unit. They are making significant progress in all aspects of tracing the proceeds of crime.

The unit is currently awaiting the delivery of the equipment, furniture, laptops, etc., which they have already procured.

2.5.11 Zimbabwe

2.5.11.1 Introduction

The National Prosecuting Authority of Zimbabwe had quite an eventful year in 2017, with four major cases of money laundering and fraud which involved asset forfeiture and recovery. The year also saw a workshop being held in Harare with the assistance of the UNODC and ARINSA, for all stakeholders in asset recovery in Zimbabwe.
2.5.11.2 Cases That Stand Out

Wildlife crime

The first notable case was that of smuggling, involving 62 elephant tusks that were recovered at Harare International Airport on the 29th of August 2015. The ivory was being smuggled to China through the National Handling Service. A tip-off was received from an informer that the person in question would collect the consignment from Poly Joy Investments, a company in the City of Harare, and load it into a white Mercedes Benz Sprinter with no registration plates.

Police reacted to the information and spotted the motor vehicle mentioned by the informer and began to monitor it. The police followed the car until it reached the National Handling Services section at Harare International Airport, where it was parked for off-loading. Detectives intercepted it and arrested Tinashe Norman Rukara, whose documents reflected that he had stone sculptures. A request to scan the consignment was approved and elephant tusks were discovered. Initial investigations revealed that the owner of the elephant tusks was a Chinese national named Zhang Chuan Le - a male adult aged 52 years, Passport No. E06939041 - who flew to China aboard an Ethiopian Airways plane (ET 872) the previous day (28th of August 2015), where he would wait for the consignment to arrive.

The recovered ivory was taken to Harare International Airport where it was weighed by officers of the Zimbabwe Parks and Wildlife Management Authority - it was found to be 618 kilograms valued at US154 500.00.

The tusks and the Mercedes Benz Sprinter were taken as exhibits under Border Control Unit Airport DR 02/09/15.

In 2016, the matter went to trial albeit challenges in having the Chinese national extradited to Zimbabwe for the proceedings. A Zimbabwean involved was convicted and sentenced to 15 years imprisonment while the vehicle was forfeited to the State.

State vs Brian Nyazamba and Others

This is a fraud case that began its trial in the High Court before Honorable Justice Bhunu, involved 9 accused persons who allegedly fraudulently siphoned money from an account of the Ministry of Finance in December 2014.

The accused persons created fake invoices in the name of fictitious or non-existent companies described as Nirco-Orgo Pvt. Ltd. and Pioneer Hired Pvt. Ltd., which were presented to the Ministry of Finance through the Director of the Ministry of Agriculture, Mechanisation and Irrigation Development, Kudakwashe Zata, to which the companies had supplied agricultural inputs to the value of US$412 085.00. The money was spread over the invoices to various banks which included the FBC Bank Southerton Branch and Steward Bank Avondale, both in Harare.
The accused persons bought numerous items, including motor vehicles, boats and toys, with the proceeds. The state confiscated the assets and now awaits the completion of the trial to apply for forfeiture.

State vs Allen Marimbe

The accused was the Chief Executive Officer of Fidelity Printers, a company which had the sole mandate to print money and purchase gold in Zimbabwe. During period extending from 2014 to 2015 at the Fidelity Printers and Refineries in Harare, the accused misrepresented that the cash he was withdrawing from the safe was allocated towards human resource commitments and operations, when in fact there were no such expenditures at Fidelity Printers and Refiners. The accused would then proceed to use the funds for his personal use.

The grand total which the accused stole from Fidelity Printers amounted to US$2,528,384.00 of which nothing was recovered.

Challenges to the case included the fact that from all the properties the accused owned, it was clear that they were being serviced by loans he procured from work, including the motor vehicles. There was nothing in his portfolio of properties or assets to indicate that he had purchased anything with cash.

The trial is ongoing in the High Court, but no assets have been seized and there is no anticipation of forfeiture.

State vs Stalin Mau Mau

The case allegations are that between January 2003 and December 2005 the accused fraudulently sold a property (Lot 350 of Greendale) measuring 3,4116 hectares and worth US$763,081.39. When the accused received the money, he did not transfer ownership and instead resold the property to two fictitious people. The accused continued to live in the house until 2014, when the complainant, who was resident in the United Kingdom, returned. Upon her return, the complainant realized that the accused had resold the house, even though he surprisingly continued to reside in the house.

The complainant submitted a report to the police and the accused was arrested. The trial of the accused has commenced, with the state having closed its case before Honorable Justice Phiri, while the defense is yet to call its last witness.

The State anticipates recovering the house and to have the accused incarcerated.
2.5.12 Mauritius

2.5.12.1 Introduction
The Asset Recovery Act of 2011 came into operation on the 1st of February 2012, and an Asset Recovery Unit (ARU) was established to implement the new legislation. In 2016, the Act was amended to form an office which is now known as the Asset Recovery Investigation Division (ARID). Referrals for asset recovery investigations are received by the ARID from the Police, the ICAC and the Financial Intelligence Unit (FIU).

2.5.12.2 International Cooperation Agreements (Sec 53 of ARA)
ARID received three foreign requests through the Central Authority (Mutual Legal Assistance) to trace proceeds of crime that have been transferred to Mauritius in 2016. ARID successfully traced the proceeds, leading to three restriction orders being obtained in 2017. ARID eventually managed to seize the proceeds of crime in each of the three cases.

Case 1
In August 2015, a request and a restraint order were received from the UK for a sum of Rs 16 Million (approximately USD 457 142) believed to be proceeds of crime. In 2017, ARID applied for a recovery order on this case.

Case 2
In November 2016, the Anti-Drug Unit Team conducted a search at a house and found wooden furniture with a false bottom which contained an ingeniously concealed bundle of Mauritian bank notes. They also found a concrete structure covered with ceramic tiles and fitted with a slot, which, when broken, was found to contain more Mauritian bank notes.

Funds totalling Rs5,078,182.20, suspected to be the proceeds of drug related crimes, was secured as an exhibit. The subject was arrested, and a provisional plaint for money laundering was lodged against him before the District Court. The case was referred to ARID for further investigations which led to the obtaining of two restraining orders. The sum of Rs5,078,182.20 and two vehicles, deemed to be proceeds of crime, were restrained.

Case 3
In March 2017, narcotic substances imported by sea from South Africa to Mauritius were impounded at Port Louis Harbour, in an operation triggered jointly by police and customs officials. The consignment was located in a container appearing to hold sand blasting cylinders. Six wooden crates stored in the container were opened and found to contain
one sandblasting cylinder each. The cylinders were ground open and 135kgs of drugs, with a street value of Rs2, 025, 000.00, were confiscated.

The case was referred to the Asset Recovery Investigation Division (ARID) for enquiry and upon further investigation, ARID made an application for an order to restrain the illicit properties of the arrested persons. The application was heard by the Judge in chambers and two vehicles and three plots of land, believed to be the proceeds of drug trafficking, were restrained.

2.5.12.3 Update on the White Dot Case

Following the reporting of a massive Ponzi scheme known as the White Dot Case in 2013, ARID has managed to sell 45 vehicles through a trustee upon the successful application to the Supreme Court to dispose of the said vehicles. The sale represents the sum of approximately Rs13 million (371,428.57 USD) which was credited to the Enforcement Authority Restraining Account as per the restraining order.

Figure 42: Confiscated assets

In the case of Sunkai, another Ponzi scheme, 132 victims have already been refunded the money they had invested. The total amount of money paid out to the victims amounted to Rs41,178,179.00 (1,176,519.40 USD).
2.5.12.4 Other Assets Confiscated

Table 8: Assets subject to Restraining/Restriction Orders for the year 2017

<table>
<thead>
<tr>
<th>No</th>
<th>Property Type</th>
<th>Money Laundering Cases</th>
<th>Drug Cases</th>
<th>Other Cases</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Immovable</td>
</tr>
<tr>
<td>1</td>
<td>Portions of Land</td>
<td></td>
<td>3</td>
<td></td>
<td>Rs 3,400,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Movable</td>
</tr>
<tr>
<td>3</td>
<td>Monies (MUR)</td>
<td>5,981,907.20</td>
<td>16,259,550</td>
<td>1,003,800</td>
<td>23,245,257.20</td>
</tr>
<tr>
<td>4</td>
<td>Vehicles - Car</td>
<td>3</td>
<td>7</td>
<td></td>
<td>Rs 5,435,00</td>
</tr>
</tbody>
</table>

**TOTAL: Rs32,080,257.20 (916,578.77 USD)**

Figure 43-46: Confiscated assets
3 ARINSA Activities in 2017

During 2017, the UNODC supported ARINSA in hosting a number of activities towards strengthening technical cooperation and capacity building. Most of the activities were geared towards guiding prosecutors and investigators through a long-term mentoring programme. The activities are outlined in the following sections.

3.1 ARINSA Annual General Meeting

The annual general meeting, hosted in Gaborone, Botswana from 6 to 7 June 2017, brought together 107 asset forfeiture practitioners (including 45 female practitioners) from the police, financial intelligence units and prosecuting services agencies from Angola, Botswana, Democratic Republic of Congo (DRC), Kenya, Lesotho, Malawi, Mauritius, Madagascar, Mozambique, Namibia, Seychelles, South Africa, Swaziland, Tanzania, Uganda, Zambia and Zimbabwe, to discuss issues of mutual interest and concerns in relation to worldwide asset recovery.

The Honourable Minister of Presidential Affairs, Governance and Public Administration, Mr Eric Molale, gave the keynote address and remarked as follows:

“The expansion and administrative consolidation of ARINSA is a reflection of its members’ commitment to increase their effectiveness in depriving criminals of their illegal proceeds from criminal activities.”

The theme of the 7th ARINSA AGM centred on the development of national strategies for the management of seized assets. Mr Molale added to this by saying:

“The value chain of implementing an effective asset forfeiture regime includes the establishment of an asset management directorate.”

He further stated that “asset management remains critical and an important function of achieving the goal of depriving criminals of their ill-gotten gains”.

Presentations were made by member countries on their asset recovery achievements. Noteworthy achievements included the following:

- US$23m worth of assets forfeited;
- 419 cases of money laundering currently undergoing investigation;
- 178 vehicles worth over US$2m seized; and
- US$5,6m worth of gold and other assets, such as cattle, seized.

Countries attributed their successes to the continuing assistance from UNODC, which included judicial training, regional and national workshops on money laundering and terrorist financing, and the mentor placement programme initiated in 2015. Countries also reported that they greatly benefit from the prosecutor placement programme which is hosted three times in a year by the National Prosecuting
Authority of South Africa.

The ARINSA Secretariat presented UNODC’s e-learning opportunities that can be accessed through the ARINSA website (http://new.arinsa.org), which is mostly used for sharing best practices, case law and cases of significant interest.

Furthermore, the delegates were informed by the steering committee of the admission of Mozambique and Madagascar into the ARINSA network.

The AGM agreed that country assessments should be carried out to determine the status of the asset management legal framework. In addition, more judicial retreats are to be carried out in the region and member countries are to submit requests for technical assistance to enhance a multi-disciplinary approach in dealing with asset recovery cases.

3.2 Beneficial Ownership

The United Nations Office on Drugs and Crime, through the ARINSA network supports international efforts to end safe havens for corrupt funds. As was demonstrated by the leaked Panama Papers in 2016, criminals, corrupt politicians and government officials are increasingly utilising complex corporate structures and legal arrangements to conceal ownership of illicitly obtained assets.

The key to unravelling the beneficial owner, was demonstrated at a workshop that was organised by UNODC through the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA) in Pretoria, South Africa for 30 (7 female) analysts, prosecutors and investigators from the Southern African region.

The workshop focused on steps to eliminate loopholes that allow corruption to thrive through the misuse of government entities and financial institutions and work, in accordance with national law, to ensure a level playing field between
foreign and domestic companies in respect of requirements to provide beneficial ownership information. The workshop promoted effective exchange of beneficial ownership information, in line with applicable data protection laws and rules, both domestically and internationally, and between authorities, including tax authorities, asset recovery offices, financial intelligence units (FIUs), law enforcement and anti-corruption agencies.

The major outcome was that countries should exchange beneficial ownership information of companies, trusts, foundations, shell companies and other relevant entities and legal arrangements. This will help tax and law enforcement authorities to track the complex offshore trails used by criminals.

To help de-mystify beneficial ownership, workshop participants were taken through an introduction of legal structures and arrangements that can be used to launder money and hide assets. A real case study based on the Panama Papers case in which the beneficiaries were hidden in a Spanish Island off Panama, was used to guide participants to trace the beneficial owners. Each stage of the workshop helped the participants to address issues such as:

- What is a beneficial holder?
- What is the ultimate beneficial owner?
- What does it mean when shares are beneficially held?
- What is an ownership entity?

Practical skills such as financial analysis, online investigation techniques, analysis of corporate structures, navigating around language barriers and networking, among others, were developed during the workshop and will enable the participants to take their own steps to unravel the ownership of companies and trusts. Similar workshops are planned to be replicated and cascaded to other law enforcement officials and to the judiciary.

### 3.3 Cybercrime

The UNODC Executive Director Yury Fedetov has said that “cybercrime has emerged as a truly borderless threat [...] the use of the dark net for drug trafficking is growing by leaps and bounds and cryptocurrencies are providing new avenues for moving and laundering criminal proceeds, straining the knowledge and capacities of law enforcement agencies to keep up.”

The fifth Conference of Parties to the United Nations Convention on Transnational Organized Crime, held in 2010, identified cybercrime as one of the major emerging crimes of concern. The multifaceted nature of the crime enables its commission in the uncontrolled realm of cyberspace and is increasingly being used by organised crime groups. The criminals and their victims are often located in different geographical regions, highlighting the need to mount an urgent, dynamic and international response.
It is therefore important that investigators are trained in the techniques used by cyber criminals and that they know how to investigate and obtain information from the vast resource that forms the Internet and the World Wide Web.

Realising the need in the region, UNODC, through ARINSA, hosted a workshop from 15-18 August in Windhoek, Namibia, on open source investigations and cybercrime. The four-day workshop incorporated practical sessions on special investigative techniques and aimed to address technical and operational issues, including protecting online presence/footprint, generating investigative leads, both domestic and foreign, integrity testing of data recovered, privacy issues, jurisdictional issues and follow up requests for data from foreign jurisdictions, collection and saving of evidence from the Internet, issues of introducing the data into court, deep web investigations and recovery of data from the dark web, among other issues.

The workshop was attended by 21 officials comprising of FIU analysts, investigators and prosecutors from the Southern and Eastern African region. The workshop participants agreed that the training had significantly improved their skills and knowledge in dealing with cybercrime.

The consensus from participants was that more training of this nature was necessary if the threat of cybercrime is to be effectively dealt with at country level. The participants left the training with developed skills that will enable them to conduct some investigations from their desks providing a cost-effective method of tracing criminal activity and the proceeds of crime.

3.4 Wildlife Crime Training

3.4.1 ARINSA Takes the Fight Against Poaching to the Frontline

Poaching in industrial proportions has blighted the African continent as criminal gangs kill rhinos, elephants, pangolins and other animals for no other reason than the huge profit that the products from these animals can provide. UNODC estimates that wildlife crime generates more than USD 10 Billion annually, making it the fourth most lucrative criminal offence.
Recognising that the heart of this problem is the profit, ARINSA delivered specialised training for 40 rangers in Kasane and Maun in Botswana. The rangers came from as far afield as Chobe National Park and the Central Kalahari National Park.

The training did not focus on poaching offences and catching poachers but following the money trail to lead to the confiscation of the proceeds of crime. The rangers have been identified as key personnel as they are the first responders in wildlife crime. The evidence that is collected by them can help to identify the syndicates involved in wildlife crime and lead to their assets being confiscated.

The workshops introduced the rangers to Botswana’s Proceeds and Instruments of Crime Act 2014, which allows for confiscation with or without a criminal conviction.

The workshops had practical exercises that addressed the following issues:

- Searching for financial information;
- Preserving financial evidence;
- Tracing the proceeds of crime;
- Intelligence gathering; and
- Presenting evidence in court.

The workshops were the first of their kind and will, as pilot programmes, be developed to be delivered to those regions most critically affected by wildlife crime.

### 3.5 Safety and Security

#### 3.5.1 Anti-Terrorism Financing and The Recruitment of Foreign Terrorist Fighters

In August, September and October 2017, UNODC, through the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA), organised first and second phase training courses for a total of 40 officials (including 8 females) from the financial intelligence and asset forfeiture units of the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and ARINSA Member States.

The workshops were outlined as follows:

- **Terrorist Financing Workshop Phase I** - Pretoria, South Africa, 1 to 4 August and 7 to 10 August 2017.
- **Terrorist Financing Workshop Phase II** - Pretoria, South Africa, 9 to 12 October 2017.

The aim of the 4-day training courses was to strengthen the capacity of government officials from these 18 countries in counter terrorism financing. In addition, the
acquired knowledge and skills received through the training provided participants with the ability to disrupt financial flows used in the perpetration of worldwide terrorism. This course is part of a comprehensive capacity-building programme to support regional and international efforts in Southern and Eastern Africa to counter terrorist financing, with a focus on analysis, investigation, and inter-agency cooperation.

The training forms part of UNODC’s work in responding to the threat of recruitment for terrorism in Southern Africa, which has seen the development of a common universal legal framework against terrorism. This framework consists of the 19 International Legal Instruments of the United Nations, along with relevant United Nations Security Council Resolutions. The implementation of these conventions, protocols and resolutions is informed by the guidance provided by the UN Global Counter-Terrorism Strategy, along with the United Nations General Assembly Resolutions.

The course was led by international experts from the United Kingdom and included individual sessions which helped participants acquire skills on terrorist finance funding cycles, foreign terrorist fighters, public and private sector cooperation and information collection, as well as strategic analysis. The discussions centred around recent terrorist activities that took place in Southern Africa, including wildlife crime and drug smuggling. Feedback received in the final phase of the training, as well as in the last managers meeting held in December, revealed that participants used the skills acquired to great effect in their jurisdictions.

3.5.2 Terrorist Financing Workshop for Senior Managers - Pretoria, South Africa

In February and December 2017, UNODC, through the Asset Recovery Inter-Agency Network for Southern Africa, organised training for the Senior Managers Workshop on Terrorist Financing and Recruitment of Foreign Terrorist Fighters. This training was targeted at over 50 senior management personnel in different law enforcement institutions from 15 Southern and Eastern African countries, and was held in Pretoria, South Africa. The first meeting was held from 27 February - 2 March 2017, and a follow-up meeting was held from 4-7 December 2017.

Participants gained valuable skills which included the analysis of strengths and weaknesses of current infrastructures for combating terrorism, analysis of strengths and weaknesses of terrorist organisations, and a critical analysis of the terrorist funding cycles, including terrorist funding case studies. The follow-up workshop in December was specifically geared toward those senior managers that attended the senior manager’s workshop earlier in the year. The December workshop presented an opportunity for participants to report on the lessons learnt and the measures that have been introduced to address the challenges they face in the investigation of terrorist financing and the recruitment of foreign terrorist fighters since the last workshop.
It was heard that the majority of managers had started cascading training to their teams and there has been a large shift from only focusing on investigating money laundering to investigating terrorist financial flows. Since the previous workshops, participants have also been exchanging information and sharing knowledge with other departments within the jurisdiction, as well as other counterparts in other jurisdictions, resulting in several successful investigations.

The training has also resulted in jurisdictions’ realisation of the threat of terrorism, thereby building capacity and infrastructure to respond to these pending threats. Some jurisdictions have now begun increasing the number of financial investigators and building capacity.

Looking to the future, it was agreed that there remains a substantial need for a train-the-trainer programme, should the funding permit.

3.6 Judicial Workshops

Through the assistance of the UNODC, ARINSA held three judicial retreats during 2017. Botswana benefited from 2 retreats, with over 40 judges and magistrates in attendance. Lesotho saw 1 judicial retreat, benefitting over 50 judges and magistrates.

3.6.1 Lesotho - Judicial Retreat on Taking Proceeds from Wildlife Crime

Mr Kofi Annan, the former Secretary-General of the United Nations, in his launch of the United Nations Convention Against Corruption (UNCAC) described corruption as an insidious plague that has a wide range of corrosive effects on societies. He said that corruption undermines democracy and the rule of law, which leads to violations of human rights, distorts markets, erodes the quality of life and allows organised crime, terrorism and other threats to human security, to flourish. He further said that this evil phenomenon is found in all countries - big and small, rich and poor - but it seems that in the developing world its effects are most destructive, hurting the poor disproportionately by diverting funds intended for development, and undermining the government’s ability to provide basic services, address feeding inequality and injustices, and discouraging foreign aid and investment.

Lesotho has not been immune to these challenges of corruption. White collar crime in particular, and fraud and money laundering are prevalent in Lesotho, and are a menace that has affected the country’s economic development to the extent that the recent presidential election was won by a candidate who proclaimed to fight against corruption.

It is against this backdrop that UNODC, as mandated by the United Nations, through the Asset Recovery Inter Agency Network for Southern Africa (ARINSA), and in cooperation with the National Prosecuting Authority (NPA) in South Africa, hosted a
retreat for the judiciary of Lesotho from 22-24 June 2017, to strengthen the judiciary in the fight against corruption. In his welcoming speech, the Judge President of Lesotho, Mr Justice Peete, thanked UNODC for facilitating the first opportunity in ten years for judicial officials to discuss money laundering, corruption and the recovery of corruptly obtained assets.

The judicial retreat, with over 40 Judges, magistrates and registrars in attendance, benefited from experiences shared by the instructors on the provisions of the Money Laundering and Proceeds of Crime Act of 2008. A case study based on following the proceeds of wildlife crime, was used as the foundation for the workshop which included gathering of evidence, drafting of affidavits and representation in court, among other things. Representations were made for prosecution and defence upon which the participants were asked to adjudicate. The judiciary benefited from topics that included:

- Money laundering;
- Freezing and managing of assets;
- Confiscation and forfeiture; and
- International cooperation.

After the retreat, the Prime Minister of Lesotho asked UNODC for further interventions to implement his plan for addressing corruption and recovering the proceeds of crime. As a result, UNODC will prepare a plan for future assistance that will include the points raised by the Prime Minister, emanating from his plans to address the scourge of corruption in Lesotho.

3.6.2 Botswana - Judicial Retreat on Continuing the Crack Down on Proceeds of Crime

From 12-14 July 2017 and 19-21 July 2017, senior judges and magistrates from all over Botswana gathered in Gaborone to discuss the Proceeds and Instruments of Crime Act of 2014, among other matters. The judiciary benefited from relayed experiences and shared knowledge on following the proceeds of wildlife crime, keeping in mind the fact that poaching continues to decimate wildlife populations across the many game reserves in Botswana.

The retreat provided an opportunity for the judiciary of Botswana to share experiences and to discuss the many challenges that they face with particular focus on money laundering and following the proceeds of crime. The facilitators included the President of ARINSA, Mpho Letsoalo, Fitz-Roy Drayton, adviser with ARINSA, and Alexander Mills, an expert on the proceeds of crime from the UK.

The Department for Presidential Affairs, Governance and Public Administration of Botswana reported that illegal proceeds worth over P20 million have been recovered since the enactment into law of the Proceeds and Instruments of Crime (PICA) Act of 2014, with much of that value stemming from white collar crimes.
The UNODC, through ARINSA, and in partnership with the Administration of Justice and the DCEC of Botswana, organised the 3-day retreat to complete a 3-tiered capacity building initiative directed at investigators, prosecutors and the judiciary, in following the proceeds of crime. Over 40 judges and magistrates attended the retreat which was convened in two sessions.

The participants objectively assessed and discussed case studies that highlighted topics such as the wide-ranging need for PICA and the specifics of the legislation, restraining and receivership orders, the different types of asset forfeiture orders available under PICA, money laundering, and specific offences under PICA, among others.

After the retreat, the judges and magistrates headed to Palapye for a 2-day judiciary conference during which they discussed challenges faced in the discharge of their duties among many other issues.

It emerged from the retreat that further training on affidavit drafting is required.

### 3.7 International Workshops and Outreach Activities

#### 3.7.1 Regional Asset Recovery Network 2017

From 31 August to 1 September 2017 the ARINSA presidency attended the Regional Asset Recovery Networks Meeting, hosted by the CARIN Secretariat and the Europol Criminal Asset Bureau (ECAB) at the Hague, Europol headquarters in the Netherlands. Attending the meeting were representatives from the Regional Asset Recovery Networks of ARIN-AP, ARIN-EA, ARIN-SA, ARIN-WA, ARIN-CARIB, CARIN, RRAG, UNODC, European Union Commission (EU) and the United Nations Interregional Crime and Justice Research (UNICRI).
The meeting was opened by Ms Marcella van Berkel from the CARIN Secretariat - a specialist at the ECAB Financial Intelligence. Mr Simon Riondet, the Business Manager for the Europol Financial Intelligence, addressed the meeting and also briefly introduced the participants. In his keynote address, Mr Sebastaino Tine, from the EU Commission, gave an overview on providing effective international law enforcement and judicial cooperation in the field of asset recovery. He also briefed the meeting on the EU Commission’s initiatives in identifying beneficial ownership and how it was being developed across member states, ways in which the information was shared amongst law enforcement, and the challenges faced by some member states in having central places of registration or enforcement around the legislative framework relating to beneficial ownership. Presentations were made by the UNODC, represented by Mr Fitzroy Drayton, and UNICRI, represented by Mr Ludovic d’Hoore, who demonstrated the relevance of the International Criminal Court in enforcing asset recovery through the assistance of regional networks. Thereafter, all the regional networks gave updates on upcoming events, new members and observers, challenges faced, capacity building, sustainability and funding. Most importantly, the theme of the ARINSA AGM for 2017, “Developing Strategies on Asset Management”, set the tone for meeting discussion that followed after the network presentations. Topics discussed included, among others, asset management, secure information exchange, websites, webinars/training, financial investigations, questionnaires and recommendations.

3.7.2 Creating a Level Playing Field: Initiatives Aimed at Fighting Illicit Financial Flows in Africa

A workshop for 214 delegates from 42 countries took place in Yaounde, Cameroon, on 24-26 May 2017. The workshop was designed to look at a broader scope beyond the Good Financial Governance in Africa (GFG) networks, and take stock of ongoing initiatives and commitments by the networks, mainly relating to the receiving end of the outflows.

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During three days of presentations, discussions and workshops, representatives of Supreme Audit institutions, senior tax officials, parliamentarians, budget specialists from finance ministries and technical experts from international organisations, non-governmental organisations and civil society, came together to reach a common understanding of the extent, complexity and negative impact of illicit financial flows, debate on measures to fight the problem and to show their commitment to the ongoing effort by signing a conference declaration, entitled “Declaration on Curbing Illicit Financial Flows Through Good Financial Governance: United Against Illicit Financial Flows”.

One of the sessions was aimed at highlighting the importance of enforcing the conventions already in place. The panel for the session was chaired and moderated by Mrs Estherine Fotabong, who introduced her fellow panellists, Mrs Dorcas Odour, Deputy Director of Public Prosecution in Kenya; Mrs Caroline Malcolm, Advisor in the International Cooperation and Tax Administration Division, OECD; Mr Fitzroy Drayton, Adviser for Asset Forfeiture, AML/ Proceeds of Crime, ARINSA; and Mr Jean Mballa Mballa of the Centre Régional Africain pour le Développement Endogène et Communautaire/ Tax Justice Network (CRADEC/TJN).

The session commenced with a video recorded by Mr Andres Knobel of the Tax Justice Network, in which he presented the financial secrecy index.

Mr Jean Mballa Mballa highlighted the link between the funding of terrorism or armed conflict and the funding of sustainable development, insofar as illicit financial flows, including those taking advantage of tax inconsistencies in tax legislation, can be directed towards the funding of the former instead of the latter. CRADEC, along with the Tax Justice Network, made the following recommendations to African nations:

- Regulate in-depth economic activities to reduce the informal nature conducive to illegality in financial matters, including within mineral resource exploitation;
- Effectively control the fair use of tax incentives mechanisms and the range of economic activities which can be used to generate illicit outflows, in order to optimise the share of revenue accruing from mineral resource extraction by multinational companies (MNC)s;
- Implement and harmonise policies in regional economic communities with respect to the strategic action plan of the Africa Mining Vision (AMV);
- Fight against aggressive tax optimisation (transfer pricing abuse, mis-invoicing, under-capitalisation, etc.) by MNCs contributing to tax fraud and evasion;
- Promote transparency and accountability in the management of mineral revenue;
- Reinforce the means and powers of Financial Intelligence Units for effective financial investigation at the up-stream and down-stream of economic activities;
3. ARINSA ACTIVITIES IN 2017

- Close the gap between State Control and Audit Institutions and the judiciary system; and
- Raise awareness, engage and empower the public, including youth and women, in the fight against illicit financial flows.

Mrs Dorcas Odour spoke from her perspective as a prosecutor about the need for inter-agency and international cooperation, and for African countries to enforce the laws and international agreements to which they are committed. She also reiterated the need for additional institutional and individual capacity-building and raised awareness. First and foremost, however, laws needed to be updated to come in line with international agreements and model legislations. A prosecutor can only prosecute against the legal framework of his/her country - that which was not regulated could not be prosecuted.

Ms Caroline Malcolm briefly elaborated on what other speakers had discussed regarding measures that have been developed to combat IFFs in the OECD countries, recognising that some of these tools may need to be adapted for the African context. She mentioned a network of 17 African countries currently piloting measures to fight against tax fraud. She also recommended increased cooperation between partners and a more appropriate framework for capacity-building and training.

Mr Fitzroy Drayton introduced participants to the work of the Asset Recovery Inter-Agency Network for Southern Africa (ARINSA), whose 13 members informally exchange information in order to facilitate the identification, tracing, freezing, seizure, confiscation and recovery of proceeds and instrumentalities of crime. In particular, he cited the case of rhinoceros horns sold in Asia, in which states were aware of how many rhino horns had been taken and what the retail price of the illicit material was in receiving countries. They were thus able to calculate the value of this specific illicit outflow. Another example given to illustrate the necessity for international cooperation, was the successful repatriation of assets by Mauritius. Even in the absence of formal cooperation mechanisms, in knowing their respective counterparts in other countries, officials involved in the investigations could gather information internationally and successfully conclude the cases.

The panel answered various questions, including the question on the protection of whistle-blowers and key witnesses, suggesting that because of insufficient funds for such protection, it would be wiser to base investigations on hard evidence rather than verbal testimonies. Delegates underlined the need to change attitudes and mindsets towards a greater sense of the common good, in order to strengthen governance structures already in place and generally be more rigorous in the application of laws.
4 Strengthening National Law Enforcement Through Mentorship Programmes

4.1 Mentorship Programme

The mentorship programme has been one of the most effective services provided by UNODC through ARNSA in 2017. The programme sees experienced financial investigators work together with law enforcement agents in member countries to help strengthen their asset forfeiture regimes.

The strength of the mentorship programme lies in the extensive knowledge and years of operational proceeds of crime experience brought in by the mentors. Mentors are ideally positioned to give expert advice, as well as provide the hands-on guidance that national practitioners need to develop the necessary infrastructure and effectively implement their country’s proceeds of crime regimes. This is done with the aim of meeting international standards. Since the launch of the mentorship programme in 2015, countries have reported massive progress in establishing AML legal regimes and improving AML-related law enforcement responses.

Figure 52: Number of Mentor visits
The mentors have been able to guide and assist officials in the process of taking cases to court. This has proved to be an invaluable resource in helping countries prosecute cases. The mentors have also prepared and presented workshops on specific issues that they identified during their mentorship work.

One of the most important aspects of the mentors’ work has been the development of a multi-disciplinary approach to following the proceeds of crime. The mentors have been instrumental in the development of country AML strategic plans which have provided a framework for the development of asset forfeiture regimes in the respective countries for the past two years.

In 2017, a total of 22 long-term mentor placements (minimum of four weeks per placement) benefited 10 countries, including Botswana, Lesotho, Mozambique, Namibia, Seychelles, Swaziland, Tanzania, Zambia and Zimbabwe. This has resulted in a significant increase in the number of new AML cases.

4.2 Profile of an ARINSA Mentor: William C. Malone

The ARINSA secretariat interviewed Mr William Malone, one of the mentors placed in Namibia on a regular basis during 2017. Below is an extract from the interview:

“Prior to joining ARINSA in June 2016, William (Bill) Malone spent 26 years in various management and leadership roles with the Royal Canadian Mounted Police, working throughout Canada and around the world.

His extensive knowledge and experience in the fields of organised crime, anti-money laundering, terrorism, national security and risk management have led to a number of deployments to global hotspots to help resolve several high profile and sensitive issues.

Throughout his career, he has worked for the United Nations, North Atlantic Treaty Organisation (NATO), the World Bank, the Asia-Pacific Group and the Financial Action Task Force on organised crime and counter-terrorism issues. He has represented Canada as a law enforcement expert in numerous international fora and has been recognized by the Government of Canada for his capacity-building and leadership roles in the Caribbean, Africa and the Middle East.

Since joining ARINSA, he has worked in the Republic of Namibia as an AML/CFT mentor and a trainer. His primary focus has been working closely with the Financial Intelligence Centre (FIC), the Namibian Police (NAMPOL), the Office of the Prosecutor General (OPG), Asset Forfeiture Unit and other non-governmental agencies and partners on AML/CFT matters related to the proceeds of crime generated from illegal poaching activities, organised crime and the financing of terrorism.

In the 16 months that he has worked in partnership with the Namibian authorities, there has been significant progress in their AML/CFT investigative capacity. Through the leadership of the Namibian police and the Financial
Intelligence Centre (FIC), they have set up an Integrated Investigations Task Force (IITF), acquired new office space, equipment and storage facilities to manage seized assets and, they have developed a Memorandum of Cooperation (MoC) which provides a policy framework for working with their investigative counterparts. They have also strengthened external partnerships with non-governmental agencies, such as the Legal Assistance Centre, which has given them access to additional training resources and funding.

The work has been extremely rewarding for Mr Malone and Namibia is well positioned to meet the challenges of the future and ensure that their jurisdiction provides a significant deterrent to those who may be considering it as a place to conduct their criminal activities.”

The mentorship programme is considered very intensive and requires dedicated individuals who are willing to spend several months (up to 6 months) of the year away from their families. ARINSA is grateful to these individuals who have given their lives to the cause of making sure criminals have nowhere to hide.

4.3 Prosecutor Placement Programme

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

![PPP Participants by Country](image)
The UNODC, in partnership with the South African Asset Forfeiture Unit (AFU), hosts asset recovery lawyers from African countries three times a year. In 2017, three sessions of PPP benefited a total of 32 prosecutors from Botswana (2), Burundi (4), Lesotho (3), Madagascar (1), Malawi (2), Namibia (3), South Africa (1), Swaziland (1), Tanzania (2), Uganda (4), Zambia (3) and Zimbabwe (4).

The first two weeks consist of a joint training session in Pretoria where all attendees receive training together, thereafter the various attendees are then allocated for the remaining two weeks to specific regional offices of the AFU for further practical exposure to the implementation of asset recovery law. The two-week induction course also includes new appointees to the AFU. The rationale for their inclusion in the PPP is to build relationships between all ARINSA countries - inclusive of South Africa.

The first two weeks provide a sound foundation and a basic understanding of the relevant laws, procedures and practises in asset recovery, and to facilitate networking and the establishment of relationships between countries in order to support the work of ARINSA and the implementation of asset recovery beyond the programme.

The content includes:

(i) Conviction and non-conviction-based forfeiture;
(ii) Financial investigations;
(iii) Execution of forfeiture orders;
(iv) Asset management;
(v) Legal drafting; and
(vi) Personal branding.

As indicated, the remaining two weeks of the programme are spent within a regional office of the AFU with the intention of exposing the prosecutor to as many operational aspects as possible, and to provide them with learning opportunities such as drafting pleadings which are then discussed with practitioners within the office. Exposure to operational aspects includes:

(i) Attendance in court when AFU lawyers are to move asset recovery applications;
(ii) Engagement in case referral, registration and allocation processes;
(iii) Involvement in case assessments in respect of asset recovery potential;
(iv) Exposure to financial investigations;
(v) Considerations in respect of asset management; and
(vi) Awareness of AFU policies that enhance the accountability of the unit and the smooth running of its multi-faceted operations.
5 Information Sharing and Dissemination

5.1 ARINSA Website

The ARINSA website (https://new.arinsa.org) continued to be the major platform for information sharing and exchange during 2017. Additional means have been supplemented to help spread the word in 2017, including an ARINSA LinkedIn page and a Twitter account, among other social media platforms.

The website provides two main functional areas - a Member Login Area and a public area. The public area provides news updates from countries in the Southern African region and a media monitor that delivers global news updates on money laundering and predicate offences. The public page also offers visitors a description of the ARINSA network, a calendar of upcoming and previous events and links to other resources that are available on the platform.

The member’s login area provides a number of platforms for members, including the Wildlife and Forestry Crime Platform, Investigator Placement Programme platform, Prosecutor Placement Programme platform, an ARINSA gallery containing photographs from previous events, Country Information which includes a database of country legislation, case law among other documents and video seminars.

New and interactive platforms were developed for the website in 2017, including a case blog, online feedback and online AML survey platform.

The website has been actively used since its launch on 2 July 2015. In 2015, the website received 58,641, in 2016 it received 130,300 hits and in 2017 the number of hits rose to 292,231 hits, representing an increase of 124% from the previous year. The total number of hits since the launch of the website has risen to 422,531. In December 2016, there were 620 registered members on the ARINSA platform. In December 2017, membership increased to 905, representing an increase of 46%. Members are actively using the website to communicate and share information with each other and showing active peer-to-peer learning and sharing of best practices. Members can network and have direct contact with counterparts which is a vital aspect of building trust and relationships within the network. Members are also kept up-to-date on modern trends in money laundering, thereby curbing crime and recovering the proceeds of crime.
The increase in ARINSA membership can be attributed to the fact that the network is slowly becoming recognised in more countries. The majority of members join through referrals from work colleagues. Other members also join after training events, as most of the information shared during the events is also available on the website.

E-learning opportunities offered by UNODC are also available through the ARINSA website. During 2017, there has been a steady increase in the number of people joining the platform for learning purposes.
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