

NARCOTICS

WHAT IS IT?

Narcotics refer to prohibited substances with addictive properties, which are manufactured, distributed, and sold.



POSSIBLE INDICATORS

- Suspicious deposits of large amounts in small denomination notes
- Rapid cash in and out of funds
- Business accounts without business transactions
- Acquisition of high value assets (i.e. property, vehicles)

CASE STUDY



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The FIC supported the South African Police Service in an investigation into a drug manufacturing and trafficking syndicate. The FIC collected, analysed and provided financial intelligence relating to bank accounts and transactions linked to subjects of the investigation, including cross-border transactions.

Through the use of suspicious transaction report information and detailed transactional analysis, the FIC was able to identify and link additional subjects to those already under investigation. Analysis revealed that a high-value property was purchased and used to manufacture Mandrax. The title holder of the property, a naturalised citizen, was virtually absent from public databases. The only reference to this individual was the initial credit check performed by the financial institution involved in financing the property deal.

Analysis of transactional records revealed regular cash deposits, soon followed by withdrawals. Another identified account reflected large cash deposits, and some funds were frequently transferred to a travel agency. One of the entities investigated had a business account that did not reflect any business transactions.

Preservation and forfeiture orders were obtained and the Asset Forfeiture Unit confiscated drugs valued at R112 million, drug manufacturing equipment worth R10 million, and properties and assets worth R3.7 million. The subjects were convicted of drug manufacturing and distribution, as well as money laundering. ■