



# A Typology Report: Money Laundering and Terrorist Financing Linked to Illegal Drug Smuggling and Dealings in Namibia



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## 1. DEFINITIONS

<b>Accountable Institutions (AIs) and Reporting Institutions (RIs)</b>	Financial and non-financial entities designated under Schedules 1 and 3 of the Financial Intelligence Act (No. 13 of 2012, as amended), required to identify, monitor, and report suspicious transactions to the Financial Intelligence Centre.
<b>Anti-Money Laundering, Combating the Financing of Terrorism and Proliferation framework (AML/CFT/CPF)</b>	Refers to the national and international systems that prevent, detect, and prosecute money laundering, terrorism financing, and proliferation financing. In Namibia, these obligations derive from the Financial Intelligence Act and related FATF standards.
<b>Designated Non-Financial Businesses and Professions (DNFBPs)</b>	These are entities and individuals that, while not part of the traditional financial sector, are still vulnerable to money laundering (ML) and terrorist financing (TF) risks due to the nature of their business activities, such as lawyers, accountants, real estate agents, and motor dealers that play a key role in detecting and reporting money laundering activities.
<b>Incoming Requests – Domestic (IRD).</b>	Formal requests submitted by Namibian law enforcement or other competent authorities to the FIC for financial intelligence and analysis related to ongoing investigations.
<b>Law Enforcement Authorities (LEAs)</b>	Institutions mandated to enforce laws and investigate crimes, including the Namibian Police Force (NamPol), and the Anti-Corruption Commission (ACC).
<b>Money laundering (ML)</b>	The process of concealing or disguising the origin of proceeds generated from unlawful activities appear legitimate. Under the <i>Prevention of Organised Crime Act, 2004 (POCA)</i> , money laundering includes acquiring, possessing, using, or concealing proceeds of crime, whether directly or indirectly.
<b>Proliferation financing (PF):</b>	“the act of providing funds or financial services which are used, in whole or in part, for the manufacture, acquisition, possession, development, export, trans-shipment, brokering, transport, transfer, stockpiling or use of nuclear, chemical or biological weapons and their means of delivery and related materials (including both technologies and dual use goods used for non-legitimate purposes), in contravention of national laws or, where applicable, international obligations” <sup>1</sup> .
<b>Suspicious Activity Report (SAR).</b>	A report filed when behaviours or activity patterns raise concern under the Financial Intelligence Act, even when no specific transaction has been identified.
<b>Suspicious Transaction Report (STR).</b>	A report filed when a reporting institution suspects that a transaction may involve the proceeds of unlawful activities or may be connected to money laundering, terrorist financing, or proliferation financing.
<b>Terrorist financing (TF)</b>	terrorist financing is defined as providing or collecting funds, assets, or financial services, directly or indirectly, with the intent or knowledge that they will be used to commit any terrorist or proliferation activity as outlined in the Prevention and Combating of Terrorist and Proliferation Activities Act, 2014. This includes funds raised from legitimate sources (like donations) or criminal activities (like fraud), with the goal of enabling terrorist acts.

<sup>1</sup> FATF Recommendation 7

## **2. EXECUTIVE SUMMARY**

Drug trafficking continues to pose risks to Namibia’s social and economic well-being. The country’s geographic position within southern Africa makes it part of broader regional and international trafficking routes. This report analyses how drug trafficking intersects with money laundering (ML) and potential terrorist financing (TF) risks, based on data and case information collected between 2018 and 2024.

During this period, the FIC received 296 Suspicious Transaction Reports (STRs) and 18 Suspicious Activity Reports (SARs) relating to suspected drug-linked transactions. Most reports originated from the banking sector, reflecting strong compliance engagement and growing awareness of financial crime indicators. Approximately one quarter of these reports were referred for further analytical and investigative follow-up.

### **2.1 Key Observations**

- **Drug Trends:** Cannabis, cocaine, mandrax, methamphetamine, heroin, and ecstasy remain the most commonly encountered substances. While cannabis is locally produced, cocaine has shown an upward trend linked to cross-border trade and travel movements.
- **Movement and Concealment:** Trafficking incidents have been detected through maritime, road, and aviation channels. Notable cases at Walvis Bay, Keetmanshoop, and Hosea Kutako International Airport illustrate evolving concealment methods and transportation routes.
- **Money Laundering Methods:** Proceeds from drug-related activity are often introduced into the financial system through cash deposits, money remittance channels, informal value transfers, and investment in assets such as real estate and motor vehicles.

### **2.2 Cross-Border Considerations**

Trafficking patterns increasingly reflect regional and international cooperation among networks. Cases involving Namibian nationals abroad highlight the importance of sustained information

sharing and mutual assistance between Namibia and partner jurisdictions. While no direct links to terrorist financing have been identified, overlapping channels warrant continued vigilance.

### **2.3 Priority Actions**

1. Enhance information sharing among FIC, NamPol, NamRA, and OPG through a coordinated national mechanism.
2. Leverage technology to strengthen monitoring and analysis of financial flows associated with drug trafficking.
3. Invest in border management capacity, including detection technology and targeted training.
4. Engage the public through awareness programs to prevent exploitation by trafficking networks.
5. Continue legal and institutional reforms to improve asset recovery, regulation of informal transfer systems, and regional cooperation.

### **2.4 Conclusion**

The findings highlight the adaptability of drug trafficking networks and the importance of maintaining an intelligence-led, risk-based response. Continued coordination, capacity development, and technological investment will strengthen Namibia's ability to prevent and disrupt drug-related money laundering and protect the integrity of its financial system.

### 3. INTRODUCTION AND BACKGROUND

Namibia's geographic location, with extensive borders and access to regional transport corridors, positions it within broader southern African and international drug trafficking routes. While the scale of activity varies, law enforcement and financial intelligence data indicate that Namibia functions as both a transit and destination point for illicit narcotics, particularly those moving between South America and the southern African region.

Drug trafficking remains a concern not only for public health and social welfare but also for the integrity of Namibia's financial system. The laundering of proceeds generated from this activity can undermine economic stability and facilitate further organized crime. Recognising these risks, the FIC, in line with its mandate under the Financial Intelligence Act (FIA), undertook this typology report to analyse current trends, financial patterns, and the intersection between drug trafficking, ML, and potential terrorist financing TF.

Over recent years, Namibian authorities have recorded an increase in the detection and reporting of suspected drug-related transactions. These developments reflect both the effectiveness of national reporting mechanisms and the adaptability of criminal networks. Seizures at ports, border posts, and airports, together with suspicious transaction reporting, continue to provide valuable insights into how drug trafficking networks operate and integrate their proceeds into the legitimate economy.

The purpose of this report is to:

1. Identify emerging trends and typologies related to drug trafficking and associated ML/TF risks,
2. Support law enforcement, supervisory, and reporting entities in enhancing detection and prevention measures, and
3. Inform national policy development and international cooperation in line with the FATF standards and Namibia's National AML/CFT Strategy.

By consolidating available intelligence and case information from 2018 to 2024, the report contributes to a shared understanding of the financial dimensions of drug trafficking. It also underscores the importance of collaboration, data-driven decision-making, and continuous capacity development in safeguarding Namibia's financial system from criminal exploitation.

#### **4. OBJECTIVES**

The primary objective of this report is to deepen understanding of the relationship between drug trafficking and ML and TF within Namibia's financial and law enforcement context. The report's objectives are to:

1. To document and analyse typologies of money laundering and terrorist financing connected to drug trafficking in Namibia during the period 2021 to 2024.
2. To identify red flags and indicators that Reporting Entities, law enforcement, and regulatory bodies can use to detect drug-related ML/TF.
3. To assess sectoral vulnerabilities as well as legal or institutional gaps in the current AML/CFT regime.
4. To propose operational, legal, regulatory and policy reforms to strengthen detection, investigation, prosecution, and asset recovery.
5. Make practical policy and operational recommendations to strengthen Namibia's ability to combat drug-money ML/TF.

#### **5. METHODOLOGY**

The typology report is based on a multi-source analytical approach designed to identify and interpret patterns linked to drug tracking and ML within Namibia's financial and law enforcement terrain. These include:

1. Analysis of intelligence reports submitted to the FIC between 2018 and 2024;
2. Review of case studies and court judgments involving drug-related offences;

3. Consultations with stakeholders such as the Namibian Police Force (NAMPOL), Namibia Revenue Agency (NamRA), and the Office of the Prosecutor-General;
4. Review of public sources, including newspaper reports, High Court judgments, FIC annual reports, and ESAAMLG reports; and
5. Identification and summarization of case studies from recent arrests, seizures, prosecutions, and asset preservation/forfeiture orders.

## **Scope & Limitations**

The scope of this report focuses on typologies and patterns of ML and TF related to drug trafficking in Namibia between 2018 and 2024. The analysis is based on available STRs, SARs, stakeholder consultations, and related case studies. However, certain limitations apply. The dataset may not capture all financial transactions linked to drug-related activities, as some transactions remain undetected or unreported.

Reporting was primarily from the banking sector, with comparatively lower volumes of input from other reporting sectors such as real estate, motor vehicle dealerships, and Designated Non-Financial Businesses and Professions (DNFBPs). Additionally, the limited exchange of financial intelligence with international counterparts, particularly in jurisdictions like Brazil, South Africa, and Angola, constrained the assessment of transnational financial flows. Informal economic activities may also be underrepresented due to limited visibility in formal reporting channels.

## **6. ILLEGAL DRUGS IN THE NAMIBIAN CONTEXT**

In Namibia, the *Illicit Drugs Control Act, 2024* (as amended), along with relevant schedules under the *Criminal Procedure Act (No. 51 of 1977)*, classifies specific substances as controlled drugs, the possession, cultivation, manufacture, or distribution of which is prohibited without authorization. The following substances represents the most commonly trafficked and misused illegal drugs in the country:










- **Cannabis (Dagga):** A plant-based drug containing Tetrahydrocannabinol (THC), which affects perception, coordination, and cognition. Cannabis is the most prevalent drug in Namibia, cultivated locally in rural areas and trafficked into the country from neighboring states for domestic distribution and consumption.
- **Cocaine:** A stimulant extracted from Coca leaves. It increases central nervous system activity and dopamine levels, often linked to short-term euphoria. Prolonged use is associated with significant cardiovascular and neurological risks.
- **Mandrax (Methaqualone):** A synthetic sedative that depresses central nervous system activity. While initially developed as a medication, it is now widely abused and has a high potential for dependence. It is frequently encountered in combination with other substances.
- **Methamphetamine (Tik/Crystal Meth):** Potent synthetic stimulant that induces increased energy and alertness. Its use is associated with behavioral disturbances and a high risk of dependency.
- **Heroin:** A semi-synthetic opioid processed from morphine. It acts as a depressant, producing analgesic and euphoric effects. It is highly addictive and poses severe health risks, including overdose.
- **Ecstasy:** A synthetic drug with both stimulant and hallucinogenic properties. It temporarily enhances mood and sensory perception. Chronic use may affect serotonin regulation and cognitive function.
- **Synthetic Drugs<sup>i</sup>:** This category includes substances such as synthetic cannabinoids and cathinones, which are chemically engineered to mimic the effects of traditional drugs. Their composition often changes to avoid legal detection, and their effects can be unpredictable.

## 7. MONEY LAUNDERING AND ILLEGAL DRUG SMUGGLING AND DEALING IN NAMIBIA

Illegal drug smuggling involves the transport of controlled substances across borders or within jurisdictions to avoid detection by authorities and generate profit. Drug dealing refers to the distribution and sale of these substances at various levels. Both activities generate substantial cash flows and require logistical, communications and transportation networks to operate. These crimes are frequently associated with corruption and organized crime networks.

Money laundering is the process by which proceeds from criminal activities are introduced into the financial system and made to appear legitimate. In the context of drug trafficking, laundering typically occurs in three stages:

**Table 1: Money Laundering Stages and Illicit Drug Trafficking & Dealing**

Stage	Description	Typical Methods	Red Flags / Indicators
<b>1. Placement</b>	Introduction of illicit drug proceeds into the financial system	<ul style="list-style-type: none"> <li>Structured cash deposits below reporting thresholds</li> <li>Cash-intensive business deposits (casinos, bars, car washes, taxi companies)</li> <li>Bulk cash transported across borders</li> <li>Purchase of portable assets (electronics, jewellery, vehicles)</li> </ul>	<ul style="list-style-type: none"> <li> Frequent small deposits across multiple accounts</li> <li> Cash deposits inconsistent with business size</li> <li> Large cash payments for property or vehicles without documented income</li> </ul>
<b>2. Layering</b>	Concealing the origin of funds through complex transactions	<ul style="list-style-type: none"> <li>Transfers between corporate accounts or nominees</li> <li>Use of mobile money and remittances</li> <li>Trade-based money laundering (over/under-invoicing)</li> <li>Cryptocurrency conversions</li> <li>Use of shell companies or trusts</li> </ul>	<ul style="list-style-type: none"> <li> Multiple incoming and outgoing wires to unrelated parties</li> <li> Inconsistent trade invoices</li> <li> Rapid movement of funds across borders or currencies</li> </ul>
<b>3. Integration</b>	Reintroducing laundered funds into the legitimate economy as apparently legal assets	<ul style="list-style-type: none"> <li>Real estate purchases through nominees</li> <li>Investment in legitimate businesses</li> <li>Acquisition of vehicles, luxury goods, or high-value items</li> <li>Loan repayments or dividends from shell companies</li> </ul>	<ul style="list-style-type: none"> <li> High-value asset purchases shortly after suspicious cash flows</li> <li> Assets registered to nominees or recently formed companies</li> <li> Rapid resale of assets</li> </ul>

At the lower end of the distribution chain, individuals involved in retail-level drug activities may primarily engage in placement, At the lower end of the distribution chain, individuals involved in retail-level drug activities may primarily engage in placement. In contrast, larger trafficking

networks are more likely to apply sophisticated layering and integration methods involving corporate vehicles, trade-based schemes, and financial intermediaries.

To effectively identify and disrupt such activity, financial and non-financial institutions, regulators, and law enforcement agencies benefit from analyzing transactional patterns across various channels, including banks, money/value transfer systems (MVTs), customs records, and asset registries. This multi-agency coordination supports a comprehensive understanding of the financial infrastructure associated with drug trafficking networks.

## **8. FINDINGS AND ANALYSIS**

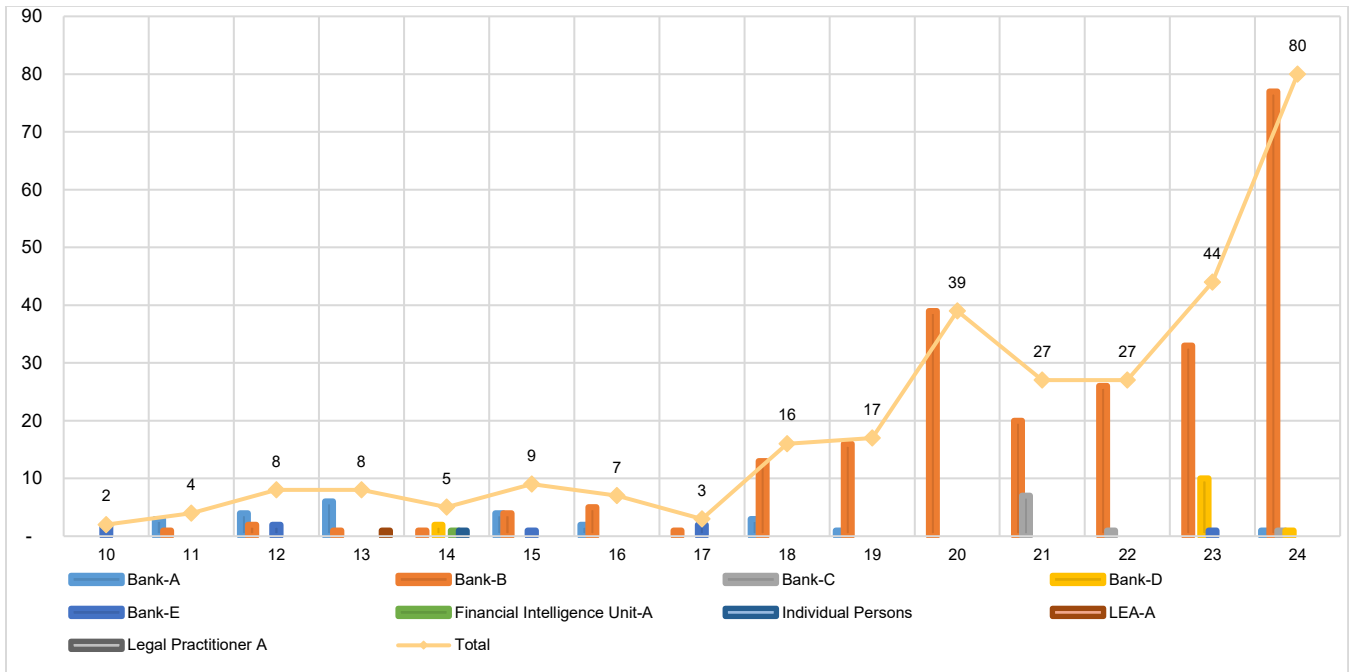
This section summarises insights derived from financial intelligence compiled by FIC in relation to ML associated with illicit drug smuggling and dealing in Namibia. The analysis draws on STRs, SARs, and information shared with domestic and international authorities during the review period. See Section 1 for definitions.

### **8.1 STRs and SARs**

An STR is filed when a reporting institution has knowledge of, or reasonably suspects, that a transaction involves the proceeds of unlawful activities or could be linked to ML/TF/PF. A SAR is filed when activities or behaviours raise concern even if a specific transaction is not identified..

Volumes and sectoral distribution (reference: Chart 1). Reporting entities submitted **296** STRs related to suspected drug smuggling and dealing over the review period. Approximately **99% (293)** of these came from the banking sector. A steady upward trend culminated in the highest annual volume in **2024**. One institution (“Bank B”) accounted for **81% (239)** of all drug-related STRs. (refer to Chart 1).

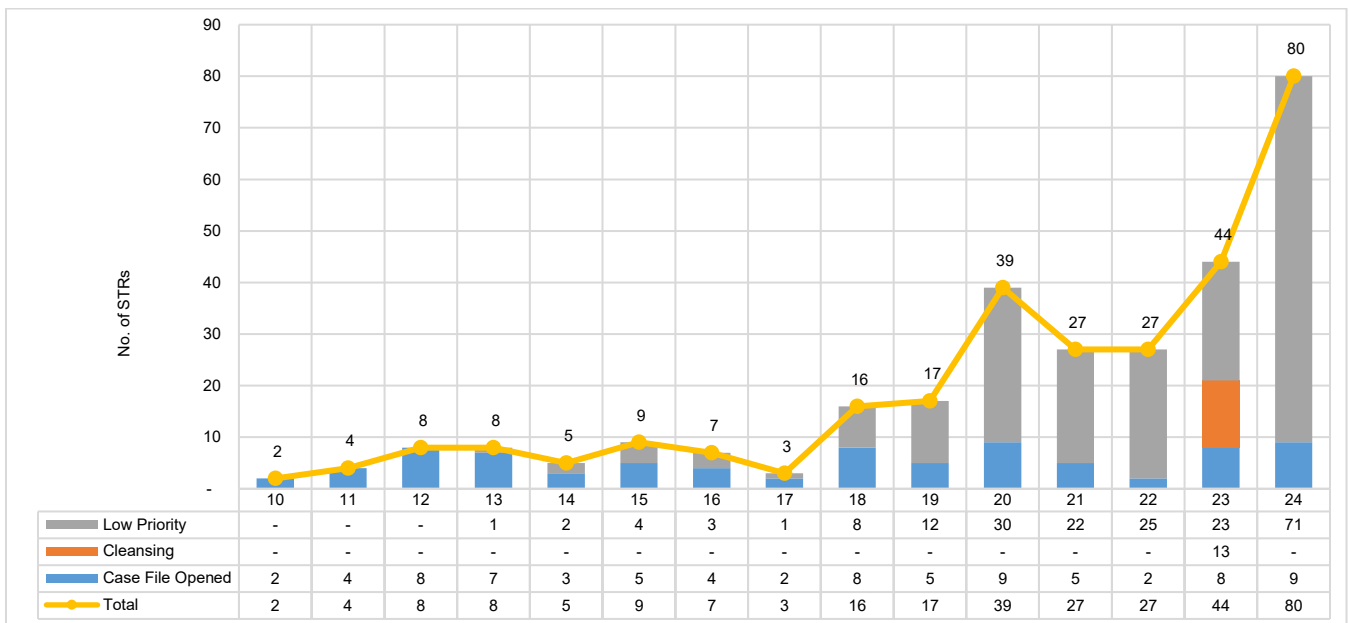
**Chart 1: STRs Involving Illicit Drugs by Sectors Received Annually**



**Prioritisation outcomes (refer to Chart 2)**

Reporting entities submitted a total of 296 STRs. Of these, 81 (27%) were classified as high priority and escalated for in-depth analysis and dissemination to law enforcement, while 202 (68%) were assessed as lower priority and retained for reference. The remaining 13 STRs were undergoing data cleansing at the time of reporting.

**Chart 2: Status of STRs Involving Illicit Drugs Received Annually**



**SAR volumes and distribution (reference: Table 1 and Table 2).**

A total of 18 SARs related to suspected drug activity were received, with the banking sector contributing 11 reports (61%), while the remainder originated from other reporting entities and internal FIC analysis (Table 1). Of these, 7 SARs were prioritised for further analysis, 10 were assessed as low priority, and 1 remained under cleansing (Table 2).

Internally generated SARs, derived from aggregated intelligence and open-source information, play a key role in identifying emerging typologies and linking activities that may not be apparent from individual reports.

Overall, the reporting trends reflected in Charts 1 and 2, as well as Tables 1 and 2, demonstrate strong reliance on banking sector monitoring, a steady increase in reporting, and the effective application of a risk-based approach that focuses analytical resources on higher-risk cases.

**Table 2: SARs Involving Illicit Drugs by Sectors Received Annually**

	18	19	20	21	22	23	24	Total
Accountants and Auditor-A	1	-	-	-	-	-	-	1
Bank-A	-	-	-	-	1	-	-	1
Bank-B	-	2	2	-	-	2	-	6
Bank-C	-	1	-	-	-	-	1	2
Bank-D	2	-	-	-	-	-	-	2
Financial Intelligence Centre	-	1	2	-	-	2	1	6
<b>Total</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>-</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>18</b>

**Table 3: Status of SARs Involving Illicit Drugs Received Annually**

	18	19	20	21	22	23	24	Total
Case File opened	1	2	2	-	-	2	-	7
Low Priority	2	2	2	-	1	1	2	10
Under Cleansing	-	-	-	-	-	1	-	1
<b>Total</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>0</b>	<b>1</b>	<b>4</b>	<b>2</b>	<b>18</b>

## 8.2 Incoming Requests – Domestic/International

### Activity overview

A total of **45** IRDs related to drug matters were recorded between **2014** and **2024**. The majority originated from the Namibian Police, including the Drug Law Enforcement (DLE) POCA Sub-Division. (see Table 3).

### Spontaneous disclosures

During the review period, the FIC disseminated **56** spontaneous disclosures related to illicit drug dealing and smuggling to relevant law enforcement agencies.

The figures reflect sustained demand for financial intelligence in drug-related investigations and continued inter-agency information flow to support operational needs, including cases with cross-border elements. (see Table 3 and disclosure totals).

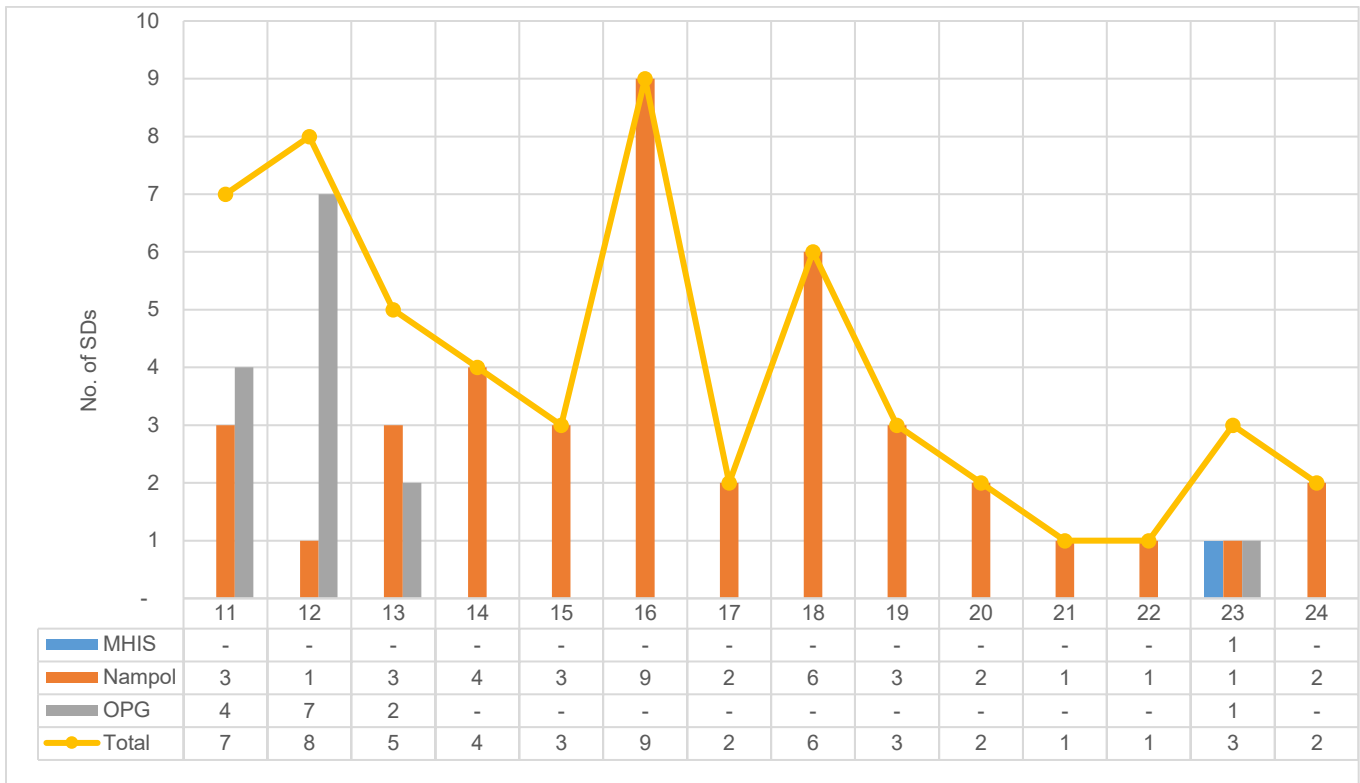
**Table 4: Incoming Requests – Domestic received per annum**

	14	15	16	17	18	19	21	22	23	24	Total
<i>MHAISS<sup>2</sup>: Security And Risk Management Services</i>	-	-	-	-	-	-	-	-	1	-	1
<i>Namibian Police</i>	4	-	-	-	-	-	-	-	-	-	4
<i>Nampol: Asset Forfeiture AML Unit</i>	-	-	1	-	-	-	-	-	-	-	1
<i>Nampol: CIU - Ariamsvlei</i>	-	-	-	-	-	-	-	-	1	1	2
<i>Nampol: CIU - Walvis bay Port Police</i>	-	-	-	-	2	-	-	-	-	-	2
<i>Nampol: Commercial Crime Inv Sub-Div - Oshana</i>	-	-	-	-	1	-	-	-	-	-	1
<i>Nampol: DLE - Human And Container Tracing</i>	-	-	1	-	-	-	-	-	-	-	1
<i>Nampol: DLE Poca Sub-Div</i>	-	-	7	-	-	-	-	-	-	-	7
<i>Nampol: DLE Sub-Div - Erongo</i>	-	-	-	-	-	-	-	1	-	-	1
<i>Nampol: DLE Sub-Div - Hardap</i>	-	-	-	-	-	-	-	2	-	-	2
<i>Nampol: DLE Sub-Div - Karas</i>	-	-	-	-	-	-	-	1	-	-	1
<i>Nampol: DLE Sub-Div - Omaheke</i>	-	-	-	-	-	-	-	2	-	-	2
<i>Nampol: DLE Sub-Div – Otjozondjupa</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Nampol: Head - Aml Criminal Inv Sub-Div</i>	-	-	-	-	-	1	1	-	-	1	3
<i>Nampol: Head - AML/CFT Asset Recovery Sub-Div</i>	-	-	-	-	1	-	-	-	1	-	2
<i>Nampol: Head - AML/CFT Division</i>	-	-	-	1	3	-	-	-	-	-	4
<i>Nampol: Head - Crime Intelligence Unit</i>	-	1	-	-	-	-	-	-	-	-	1

<sup>2</sup> Ministry Of Home Affairs, Immigration, Safety And Security

<i>Nampol: Head - DLE Division</i>	-	-	1	-	-	-	-	-	-	2	3
<i>Nampol: Head - Special Branch Sub-Div Karas</i>	-	-	-	-	-	-	-	1	1	-	2
<i>Nampol: Internal Investigation Sub-Div- Erongo</i>	-	-	-	-	-	-	1	-	-	-	1
<i>Nampol: Special Branch Wvb - Erongo</i>	-	-	-	-	-	-	2	-	-	-	2
<i>Namra: Enforcement And Compliance</i>	-	-	-	-	-	-	-	-	2	-	2
<b>Total</b>	<b>4</b>	<b>1</b>	<b>10</b>	<b>1</b>	<b>7</b>	<b>1</b>	<b>4</b>	<b>7</b>	<b>6</b>	<b>4</b>	<b>45</b>

**Chart 3: Summary of suspected predicate offenses and the Recipient Agency**



During the period under review, a total of 56 spontaneous disclosures related to illicit drug dealings and smuggling were disseminated to Law Enforcement Agencies.

## 9. SAMPLED CASE STUDIES

Illicit drug smuggling and trafficking remain significant predicate offences for money laundering in Namibia. Geographic positioning alongside Angola, Zambia, Botswana, and South Africa, and access to the port of Walvis Bay, creates transit and distribution opportunities for narcotics originating from South America, West Africa, and Asia. A developed financial sector and growing informal value transfer activity present avenues for laundering related proceeds.

## Case Study 1: S v Noble and Another (Largest Cocaine Seizure in Namibia)

<b>Background</b>	Two accused individuals, Grant Noble and Dinath Azhar, imported 412 kilograms of cocaine from Brazil into Namibia via the port of Walvis Bay. The cocaine had a street value of 206,000,000.00 NAD. They used a front company, Zeeki Trading CC, to facilitate the importation, claiming it was photocopy paper. This case represents Namibia's largest cocaine bust and highlights international drug smuggling routes from South America through African ports. The accused were also charged with money laundering under the Prevention of Organised Crime Act (POCA), but acquitted on that count.
<b>Modus Operandi</b>	The cocaine was concealed in boxes disguised as photocopy paper within a shipping container. The front company was used to declare and import the cargo, exploiting legitimate trade channels for smuggling.
<b>Red Flags</b>	<ul style="list-style-type: none"> <li>🚩 Large quantity of drugs inconsistent with personal use, indicating organized smuggling operations.</li> <li>🚩 Use of a front company for importation, often with minimal operational history or mismatched business activities.</li> <li>🚩 Misdeclaration of cargo, such as describing narcotics as everyday goods like paper, leading to discrepancies in shipping manifests.</li> <li>🚩 High-value international shipment from a known drug source country (Brazil), raising suspicions due to geographic risk profiles.</li> <li>🚩 Discrepancies in business activities, including sudden large transactions without corresponding revenue or unexplained fund sources in company accounts.</li> <li>🚩 Potential financial anomalies like international wire transfers to high-risk jurisdictions without legitimate trade justification.</li> <li>🚩 Lack of end-user verification or unclaimed shipments, suggesting abandonment to evade detection.</li> </ul>
<b>LEAs Actions</b>	<ul style="list-style-type: none"> <li>• Customs and Excise officials at Walvis Bay intercepted the container.</li> <li>• NamPol's Drug Law Enforcement Unit conducted the investigation, leading to arrests.</li> <li>• The FIC analyzed STRs related to drug predicates and disseminated intelligence to LEAs.</li> <li>• The OPG prosecuted the case, with forensic analysis by the National Forensic Science Institute.</li> </ul>
<b>Status of the Case</b>	Convicted of dealing in dangerous dependence-producing substances in 2022; sentenced to 12 years' imprisonment each (5 years suspended). Forfeiture of drugs and related items to the State.
<b>Sectors Affected</b>	<ul style="list-style-type: none"> <li>• Maritime and logistics (ports exploited for concealment in international shipments).</li> <li>• Import/export trade (front companies in commercial sectors).</li> <li>• Banking and financial services (potential ML through corporate accounts and remittances).</li> <li>• Law enforcement and customs (border vulnerabilities).</li> </ul>

## Case Study 2: S v Paulo and Another (Angola-Namibia-South Africa Cocaine Transit)

<b>Background</b>	Two Angolan nationals were arrested at a roadblock near Keetmanshoop while transporting 39.35kg of cocaine (street value 20,125,000.00 NAD) from Angola through Namibia to South Africa. The drugs were hidden in a modified Toyota Land Cruiser
<b>Modus Operandi</b>	Cocaine was concealed in a false under-vehicle compartment and inside the spare tire. Deodorants and silicon were used to mask the smell. The accused claimed they were hired to deliver the vehicle, providing forged authorization documents.
<b>Red Flags</b>	<ul style="list-style-type: none"> <li>🚩 Inconsistent travel stories and documents, such as forged papers that do not match vehicle ownership or purpose.</li> <li>🚩 Nervous behavior during inspection, often detected by trained officers as a sign of guilt or fear.</li> <li>🚩 Presence of concealment tools (pop rivet gun), indicating vehicle modifications for smuggling.</li> <li>🚩 Strong cocaine odor not addressed by accused, despite attempts to mask it, revealing inadequate concealment.</li> <li>🚩 High-risk route from Angola to South Africa, known for drug transit corridors.</li> <li>🚩 Large quantity inconsistent with personal use, suggesting commercial intent and potential ML proceeds.</li> <li>🚩 Financial indicators like cash payments for vehicle modifications or unexplained funds for travel expenses.</li> </ul>
<b>LEA Actions</b>	<ul style="list-style-type: none"> <li>• NamPol's Drug Law Enforcement Unit stopped and searched the vehicle.</li> <li>• Forensic analysis by NFSI confirmed the substance.</li> <li>• The FIC supported through general intelligence on drug-related STRs.</li> <li>• The OPG prosecuted, with international cooperation implied via Angola links.</li> </ul>
<b>Status of the Case</b>	Convicted of dealing in cocaine; sentenced to 10 years (4 suspended). Appeals dismissed by the Supreme Court.
<b>Sectors Affected</b>	<ul style="list-style-type: none"> <li>- Road transportation (vehicles modified for smuggling).</li> <li>- Border security and customs (land checkpoints vulnerable to forged documents).</li> <li>- Financial sector (potential cash-based laundering in informal networks).</li> <li>- Automotive services (modifications for concealment).</li> </ul>

### Case Study 3: Attempted Heroin Smuggling at Hosea Kutako International Airport

<b>Background</b>	In 2018, a former cabin crew member attempted to smuggle 10.27kg of heroin (street value N\$500,000) from Namibia to Frankfurt, Germany, via Air Namibia flight. The heroin was hidden in the check-in luggage.
<b>Modus Operandi</b>	Heroin was concealed in a hidden compartment within the luggage. The accused used airline staff status for access, initially denying ownership but later surrendering.
<b>Red Flags</b>	<ul style="list-style-type: none"> <li>🚩 Suspicious substances detected during screening, such as anomalies in X-ray images or density inconsistencies.</li> <li>🚩 Airline crew involvement, exploiting insider access to bypass routine checks.</li> <li>🚩 International route to Europe, a common destination for African-sourced narcotics.</li> <li>🚩 Delayed ownership claim, indicating attempts to distance oneself from the luggage.</li> <li>🚩 Unexplained deposits in personal accounts post-flights or lifestyle mismatches.</li> <li>🚩 Nervousness or inconsistent statements during questioning.</li> </ul>
<b>LEA Actions</b>	NamPol and Customs intercepted at HKIA using screening and sniffer dogs. FIC disseminated SDs on drug offenses to LEAs. OPG prosecuted.
<b>Status of the Case</b>	The accused denied guilt in court; the status as of 2018 was ongoing trial.
<b>Sectors Affected</b>	<ul style="list-style-type: none"> <li>- Aviation (airlines and airports prone to insider threats).</li> <li>- Border control and customs (screening vulnerabilities at international hubs).</li> <li>- Financial services (personal banking for small-scale ML).</li> <li>- Tourism and travel (exploitation of transit routes).</li> </ul>

## 9.1 Drug trafficking along the Brazil-South-Namibia corridor

### 9.1.1 Overview:

sustained pattern involves Namibian nationals recruited to convey cocaine via body packing or luggage concealment, with many interceptions at OR Tambo International Airport. Visa-free travel to Brazil and the use of informal transfer systems are noted contextual factors.

At least 25 Namibian nationals, predominantly women aged 20 to 40, have been arrested in Brazil for outbound smuggling attempts. Additional arrests occur in South Africa and Namibia, including more than 22 mules at OR Tambo in a recent 12-month period, some identified as Namibian.

### **9.1.2 Modus Operandi**

Traffickers use a sophisticated, multi-leg routing through layered approach along the Brazil–South Africa–Namibia corridor. They leverage economic desperation, exploit major international airports, and rely on informal distribution and laundering networks. Over time, syndicates have adapted different tactics, shifting from male to predominantly female couriers (perceived as lower risk) and deliberately sacrificing lower-level couriers to distract authorities while larger consignments move undetected.

### **9.1.2 Recruitment**

Vulnerable Namibians, often single, unemployed women from low-income backgrounds, are targeted via social media (WhatsApp, Facebook, Instagram), personal networks, and in-person contacts. Recruiters (commonly intermediaries from other African countries such as Nigeria) offer apparently lucrative but deceptive opportunities, promising 20,000.00 to 40,000.00 NAD per trip and covering travel expenses.

Once in Brazil, recruits are often isolated in safe houses, threatened, or subjected to debt bondage. They are forced to ingest multiple cocaine “bullets” or to conceal drugs in luggage linings, false suitcase bottoms, or body cavities.

### **9.1.3 Air Transit**

The Couriers typically travel from São Paulo–Guarulhos (Brazil) to OR Tambo International (South Africa), then connect to Hosea Kutako International (Namibia). Syndicates favour multi-leg routings and last-minute or one-way bookings to reduce traceability. At transit airports, high passenger volumes and limited screening resources can result in inconsistent secondary checks; only specialised scanners reliably detect ingested packets. To avoid detection, groups are split at check-in and instructed to behave normally.


### 9.1.4 Distribution


On arrival, couriers are met by handlers at discreet locations (hotels, safe houses) for supervised extraction. Extraction methods include the use of laxatives over 1–3 days, or, in extreme cases, medical intervention actions that carry significant health risks, including intestinal blockage, packet rupture (leading to overdose), and death.


Recovered cocaine is repackaged: small quantities feed local retail markets while bulk consignments are forwarded to Europe via secondary couriers. Proceeds are laundered through informal value transfer systems (hawala), remittance services, cash couriers, trade-based schemes, or integration into local economies via asset purchases. Syndicates commonly pay couriers only partially until successful delivery, creating strong incentives for compliance.

### 9.1.5 Red Flags

Although no single flag confirms illicit activity, but clusters such nervous behavior combined with vague itineraries<sup>3</sup> and unexplained funds warrant scrutiny. Below is a detailed breakdown, incorporating behavioural, financial, travel, health, cargo, network and ML signals with additional insights from enforcement practices.









 Single female travellers aged 20 to 40 from Namibia on São Paulo –Johannesburg flights with vague itineraries (e.g., "tourism" without bookings, hotel reservations, or return plans) are common, as syndicates target economically disadvantaged individuals like single mothers or unemployed youth.

 Nervous behavior, such as evasive eyes, Recent weight gain (from pellet bloating due to swallowed "bullets") or abdominal discomfort, staring blankly, or constant scanning for threats (e.g., law enforcement), indicates heightened stress from coercion or fear of detection.

 Inconsistencies in fund sources and movements, particularly for mules receiving "gifts" or payments pre/post-trip.

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<sup>3</sup> A travel plan that lacks clarity, detail, and specific information

-  Sudden remittances to Brazil/South America without verifiable income sources or cash deposits (e.g., N\$20,000–40,000 labelled as "gifts" or "family support") before departure, often structured below reporting thresholds to evade detection.
-  Post-trip luxury spending mismatched to profile example, acquiring vehicles, jewellery, or real estate despite low declared income.
-  Use of third-party accounts or credit cards for travel expenses, and transactions with no business purpose.
-  Frequent short trips to Brazil exploiting visa-free access for Namibians (e.g., 3–7 day "vacations" without evidence of tourism).
-  One-way tickets or last-minute bookings (e.g., reservations made within 24 hours, often at unusual hours like 3:00 AM) paid with third-party credit/debit cards.
-  Late arrivals at airports. Companions splitting up at check-in or during transit (e.g., booked on the same reservation but acting separately).
-  Late arrivals at airports minimize exposure, and patterns like adding passengers shortly before departure or using flagged travel agencies tied to trafficking networks amplify risks.
-  Use of informal value transfer systems (IVTS) like hawala for remittances evading formal channels.

**Table 5: Cases Involving Namibian Nationals in Drug Smuggling (Brazil-South Africa-Namibia Route)**

	Subject Name	Modus Operandi	LEA Interception	Case Status
1	<b>Mesia Antonius</b>	<i>Recruited in Namibia with promises of quick money; traveled visa-free to Brazil to collect cocaine (quantity unknown), swallowed in condom-wrapped capsules for internal concealment to evade detection during air transit back to Africa; potential ML through post-trip remittances to recruiters.</i>	<i>Brazilian Federal Police at São Paulo International Airport used routine passenger screening and intelligence from prior patterns of Namibian mules; likely behavioral profiling led to X-ray confirming ingestion.</i>	<i>Arrested August 9, 2016; sentenced (details unspecified, likely 5-8 years based on similar cases); presumed served or paroled, no recent updates confirming release.</i>

2	<b>Denize van Niekerk</b>	Lured from Windhoek with fake job offers (e.g., modeling); collected parcels in Brazil disguised as hair extensions or clothing hiding cocaine (quantity unknown); swallowed capsules or used luggage linings; proceeds potentially laundered via informal cash transfers.	Brazilian authorities at exit airport employed X-ray scans and cargo inspections, triggered by vague travel itineraries and nervous behavior common in mule profiles.	Arrested 2016; sentenced to 5 years' imprisonment; paroled February 2019 with mandatory community service in Brazil; likely completed and returned home by 2025.
3	<b>Charmaine Vries</b>	Targeted as unemployed youth via social media; flew to Brazil to fetch disguised goods (shoes/clothing) containing hidden cocaine; body packing via swallowed pellets; ML risk through unexplained bank deposits post-return.	Intercepted at Brazilian airport on departure using behavioral analysis, luggage weight checks, and X-rays revealing anomalies mimicking tumors from capsules.	Arrested 2016; 5-year sentence; paroled February 2019 requiring community service in Brazil; presumed free and repatriated.
4	<b>Rauna Ngesheya</b>	Recruited with economic incentives; collected drug-laden parcels in Brazil, concealed internally (swallowed) or in false luggage compartments; integrated into syndicate networks for distribution in Africa, with ML via hawala.	Apprehended during security screening at Brazilian airport, using advanced imaging and sniffer dogs alerted to masked odors.	Arrested 2016; sentenced 5 years; paroled February 2019 with community service obligation in Brazil; likely completed term.
5	<b>Mathilde Vaisako</b>	Coerced after arriving in Brazil on "tourism" pretext; swallowed cocaine capsules (quantity unknown) for transit; modus included isolation in safe houses and threats; potential ML through family remittances disguising fees.	Brazilian Federal Police at departure gate used X-ray and intelligence from monitored recruitment patterns to detect and arrest.	Arrested 2018; 5-year imprisonment; paroled February 2019 mandating community service in Brazil; presumed released.
6	<b>Anzel Dedre Strauss</b>	Traveled with Brazilian boyfriend as cover; collected cocaine in São Paulo, concealed via swallowing or luggage; recruited via romantic lure; ML via luxury asset purchases mismatched to income.	Arrested May 24, 2018 at São Paulo-Guarulhos Airport by Federal Police during exit X-ray scans showing abdominal anomalies.	Arrested 2018; sentenced 5 years; paroled February 2019 with community service in Brazil; likely free.
7	<b>Pauline Mbangula</b>	Lured to Brazil by online "lover" met in Angola; coerced in São Paulo to swallow 68 cocaine bullets (850g, ~R1.2M value); flew LATAM/TAAG from São Paulo to Johannesburg en route to Windhoek; ML through promised payment (N\$40,000) via informal channels.	SAPS at OR Tambo Airport (Sept 22, 2024) used X-ray imaging after profiling (nervous, vague itinerary); over 60 bullets expelled in custody under medical supervision.	Arrested September 22, 2024; sentenced July 8, 2025 to 8 years (3 suspended, effective 5 years) for drug trafficking at Kempton Park Magistrate's Court; serving in South Africa.
8	<b>Lena de Waal</b>	Married to Angolan as potential cover; smuggled 5kg cocaine from Brazil, wrapped in foil and concealed in luggage lining; air transit from São Paulo to Johannesburg; ML via cross-border cash couriers.	South African Hawks at OR Tambo Airport (April 2017) detected via luggage scanner showing density inconsistencies, followed by manual search.	Arrested April 2017; denied bail; presumed convicted (sentence unknown, likely 8-10 years based on quantity); no recent updates, possibly served or ongoing.
9	<b>Anonymous (26-Year-Old Woman)</b>	Recruited via promises of N\$40,000; collected cocaine worth N\$2 million in Brazil, concealed in swallowed capsules or parcels; intended air return to Namibia via South Africa.	Brazilian authorities at airport (September 2019) intercepted during routine exit checks, likely X-ray or behavioral flags.	Arrested September 2019; no further status updates; part of 25 cases since 2016, presumed sentenced 5-8 years in Brazil.

10	<b>Anonymous (26-Year-Old Woman)</b>	<i>Lured with job promises in Brazil; intended to collect and body-pack cocaine for return flight; recruitment intercepted before departure from Namibia.</i>	<i>Love Justice monitoring team at Namibian transit point (June 29, 2022) used intelligence on recruiters to stop her; recruiter arrested on site.</i>	<i>Intercepted June 29, 2022; no smuggling occurred, no charges against her; recruiter prosecuted (status unknown); prevented case escalation.</i>
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## 10. KEY FINDINGS

- Between 2018 and 2024, the FIC received 296 STRs and 18 SARs linked to illicit drug smuggling and dealing, with a steady upward trend peaking in 2024, indicating improved detection and compliance, primarily from the banking sector (99% of STRs).
- Banks, particularly Bank B (81% of STRs), were the top reporters, highlighting their role in monitoring cash-intensive transactions, while the FIC itself contributed significantly to SARs through internal analysis, uncovering patterns not visible to individual entities.
- 27% of STRs (81 reports) and 39% of SARs (7 reports) were classified as high priority and disseminated to LEAs, focusing on complex cross-border networks, while low-priority reports (68% STRs, majority SARs) are archived for future intelligence.
- Cannabis remains the most prevalent drug in Namibia, sometimes grown locally and trafficked regionally, followed by cocaine, mandrax, methamphetamine, heroin, ecstasy, and synthetic drugs, with cocaine increasingly linked to international routes from Brazil.
- Drug proceeds are placed via structured cash deposits and bulk transport, layered through mobile money, TBML, and shell companies, and integrated via real estate and luxury assets, with street dealers focusing on placement and syndicates on layering/integration.
- 45 incoming domestic requests (IRDs) were received from 2014–2024, mostly from NamPol's DLE POCA Sub-Division (7 requests), emphasizing the need for financial intelligence in drug investigations, with spontaneous disclosures totaling 56 to LEAs.
- Namibia serves as a transit hub for cocaine from Brazil, with at least 25 Namibians (mostly women aged 20–40) arrested since 2016, involving body packing and luggage concealment, exploiting visa-free travel and economic vulnerabilities.

- Traffickers use social media for recruitment with promises of 20,000 to 40,000 NAD, coercing mules in Brazil to swallow 50–100 cocaine bullets; air transit via São Paulo to Johannesburg/Windhoek, with extraction and distribution risking health and involving ML through hawala/remittances.
- Sampled cases like *S v Noble* (412kg cocaine via port) and Pauline Mbangula (68 bullets at OR Tambo) reveal maritime/air transit exploitation, insider threats, and sectoral impacts (aviation, banking, borders), with convictions but gaps in ML prosecutions and data constraints limiting full analysis.

## 11. RECOMMENDATIONS

- a) **Enhance Reporting and Monitoring in the Banking Sector:** Mandate advanced transaction monitoring systems for banks to include AI-driven analysis for drug-related patterns and conduct regular training for compliance officers on identifying STRs/SARs linked to cash-intensive businesses.
  - Enhance reporting by non-bank sectors.
  - Increase supervisory outreach and guidance for DNFBPs, real estate, and motor vehicle dealers to improve reporting coverage and data quality, addressing lower volumes from these sectors noted in the methodology and findings.
- b) **Strengthen Inter-Agency Collaboration:** Establish a dedicated task force involving FIC, NamPoI (Drug Enforcement Unit/Division), NamRA, and OPG to streamline intelligence sharing, with quarterly meetings to review high-priority STRs/SARs and coordinate on cross-border cases, reducing response times for incoming domestic requests (IRDs).
- c) **Improve Border and Airport Security:** Upgrade screening technologies at key entry points like Hosea Kutako and Walvis Bay with additional X-ray scanners and sniffer dogs and implement joint operations with SAPS and Brazilian authorities to target the Brazil-South Africa-Namibia route, focusing on passenger profiling for vulnerable demographics.

- d) **Awareness Campaigns:**
- Reporting entities: coordinate an FIC-led programme for reporting entities to promote red-flag awareness and indicator use specific to drug-related typologies observed in Namibia
  - Public: Launch national campaigns via social media and community outreach to educate vulnerable groups (e.g., unemployed women aged 20 to 40) on recruitment tactics for drug mulling, emphasizing risks and reporting mechanisms, in partnership with NGOs and the Ministry of Gender Equality.
- e) **Regulate Informal Value Transfer Systems:** Introduce licensing and monitoring requirements for hawala and other IVTS operators, integrating them into the AML/CFT regime with mandatory reporting thresholds, to curb laundering of drug proceeds through remittances to high-risk jurisdictions like Brazil.
- f) **Build Capacity for FIC and LEAs:** Provide specialized training for FIC analysts and NamPol's Drug Enforcement Unit on TBML, cryptocurrency conversions, and red flags (e.g., structured deposits, vague itineraries), funded through international partners like Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG).
- g) **Assess and Mitigate Sectoral Vulnerabilities:** Conduct annual risk assessments for sectors like aviation, maritime logistics, and banking, implementing tailored controls such as enhanced due diligence for import/export firms and insider threat programs for airline staff to address exploitation in transit hubs.
- h) **Foster International Cooperation:** Negotiate bilateral agreements with Brazil and South Africa for real-time intelligence exchange on mule recruitment and smuggling routes, including joint operations and extradition protocols, to disrupt syndicates and reduce Namibia's role as a transit point.
- i) **Promote Data-Driven Policy Reforms:** Establish a centralized database for drug-related intelligence, integrating STRs, SARs, and court judgments, to enable predictive analytics

for emerging typologies, and recommend policy updates to the Illicit Drugs Control Act to cover synthetic drugs and online recruitment methods.

## **12. CONCLUSION**

Namibia remains both a transit and destination country for illicit drugs, driven by its strategic geographic position and strong regional connectivity. During the review period (2018–2024), there was a marked increase in detections across maritime, road, and aviation routes, aligning with case studies highlighted in Section 9. Financial intelligence continues to play a critical role in uncovering related money laundering activities and supporting operational interventions.

Money laundering linked to drug offences follows the three-stage model outlined in Section 7. At the retail level, transactions often involve small, frequent cash deposits, while larger networks employ more sophisticated layering and integration techniques using corporate structures, trade-based schemes, mobile money platforms, and cryptocurrencies. Notable incidents, such as the Walvis Bay container seizure and the Hosea Kutako International Airport interception, expose vulnerabilities along key transport corridors and underscore the need for coordinated financial and operational action.

Although direct terrorist financing links were not identified during the period under review, the risk persists due to overlapping criminal networks and underground financial flows. This reinforces the importance of vigilance, timely information sharing, and a consistent risk-based approach among competent authorities.

To strengthen Namibia’s response, several targeted enhancements are recommended:

- Expand reporting coverage beyond the banking sector to include other high-risk entities;
- Enhance border and port screening capabilities;
- Increase outreach and red-flag awareness for reporting entities;
- Deepen regional and international cooperation, particularly along the Brazil–South Africa–Namibia corridor; and

- Improve asset recovery processes and establish structured feedback mechanisms to reporting entities.

Sustained implementation of these measures will enhance early detection, support investigations, and reduce the integration of drug proceeds into the formal economy, thereby strengthening Namibia's overall AML/CFT resilience.

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