

*Leave of Absence*

*Friday, August 18, 2000*

**HOUSE OF REPRESENTATIVES**

*Friday, August 18, 2000*

The House met at 1.30 p.m.

[MR. SPEAKER *in the Chair*]

**LEAVE OF ABSENCE**

**Mr. Speaker:** Hon. Members, I wish to advise that I have received communication from four Members of this honourable House to be excused from today's sitting as follows: the Member for Oropouche who has asked to be excused from sittings of the House from August 13 to 19; the Member for Port of Spain South who has asked to be excused from August 17 to 22; the Member for Arouca South who has asked to be excused from the sitting of the House today; and the Member for Port of Spain North/St. Ann's West who also asked to be excused from today's sitting.

I have also received communication from the Member for Tabagite who was, in fact, here but is now on his way to the hospital with his father who is ill. He, too, has asked to be excused.

The leave of absence for which these Members seek has been granted.

**PRIVILEGES OF HOUSE OF REPRESENTATIVES  
(IMPLICATIONS OF CORRUPTION)**

**Mr. Speaker:** Hon. Members, I wish to advise that I have received communication today from the hon. Attorney General at 11.20 a.m. in which he has sought my leave, under Standing Order 27(2) and (3) to move, at the next sitting of House, today, Friday, August 18, 2000, a motion in terms of a draft, which was attached, which, in his view contained matter directly concerning the privileges of the House of Representatives in which it is alleged that a Member of Parliament deliberately attempted to mislead the House of Representatives and made untrue and unjustified implications of corruption against Members of the House in the execution of their duties.

I just wish to indicate that I acknowledge receipt of this communication and that I shall give thought to the contents of it and that I shall deal with it and give my ruling on it at a later stage.

**CITIZENSHIP OF THE REPUBLIC OF  
TRINIDAD AND TOBAGO (AMDT.) BILL**

Bill to amend the Citizenship of the Republic of Trinidad and Tobago Act, Chap. 1:50, brought from the Senate [*The Minister of National Security*]; read the first time.

**FRIENDS OF MR. BISWAS (INC'N) BILL**

Bill for the incorporation of the Friends of Mr. Biswas and for matters incidental thereto brought from the Senate; [*Mr. Chandresh Sharma*]; read the first time.

**PAPERS LAID**

1. The Elections and Boundaries Commission (No. 2) Order, 2000. [*The Attorney General and Minister of Legal Affairs (Hon. Ramesh Lawrence Maharaj)*]
2. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements, the Special Account Statement and the Statement of Expenditure (Disbursements) of the Restructuring Support Unit, Ministry of Finance, Planning and Development in respect of the Business Expansion and Industrial Restructuring Project for the period 1998 January 01 to 1998 September 30, as required by section 4.01(b)(i) and (c)(iv) of Loan Agreement No. 3432-TR between the Government of the Republic of Trinidad and Tobago and the International Bank for Reconstruction and Development (IBRD). (*Hon. R. L. Maharaj*)
3. Report of the Auditor General of the Republic of Trinidad and Tobago on the Financial Statements, the Special Account Statement and the Statement of Expenditure (Disbursements) of the Restructuring Support Unit, Ministry of Finance, Planning and Development in respect of the Business Expansion and Industrial Restructuring project for the year ended 1999 September 30, as required by section 4.01(b)(i) and (c)(iv) of Loan Agreement No. 3432-TR between the Government of the Republic of Trinidad and Tobago and the International Bank for Reconstruction and Development (IBRD). (*Hon. R. L. Maharaj*)

*Papers 2 and 3 to be referred to the Public Accounts Committee.*

**REPORTS**  
**(REFERRAL TO PUBLIC ACCOUNTS COMMITTEE)**

**The Attorney General and Minister of Legal Affairs (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, in response to a matter which occurred last week in which the Government agreed for the reports to be referred to the Public Accounts Committee, and in which the hon. Member for Tobago East indicated that he was advised that the reports were laid, I wish to lay on the table of this House the following reports:

1. The Preliminary and Final Reports Review of the Shortfall of Assets to Liabilities of the West Indian National Insurance Company Limited and the Winsure Life and General Insurance Company Limited at December 31, 1995.

I wish to move that these reports be referred to the Public Accounts Committee.

*To be referred to the Public Accounts Committee.*

**BUDGET DAY**

**The Prime Minister (Hon. Basdeo Panday):** Mr. Speaker, I wish to inform this honourable House that Budget Day will be Monday, August 28, 2000 at 10.30 a.m.

Thank you.

**PLANNING AND DEVELOPMENT OF LAND BILL**

Bill relating to the planning and development of land. [*The Minister of Housing and Settlements*]; read the first time.

**PROCEEDS OF CRIME BILL**

*Order for second reading read.*

**The Attorney General and Minister of Legal Affairs (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, I beg to move, that a Bill to provide for the consolidation of the confiscation of the proceeds of drug trafficking and to provide for the confiscation of the proceeds of other crimes and criminalizing of money laundering be now read a second time.

The Bill before us is one that seeks to implement the provisions of the 1988 Vienna Convention on illegal drugs and also to implement the Financial Action Task Force's recommendations relating to international co-operation in the fight against money laundering. This Bill has a history in that in 1997 when the Proceeds of Crime Bill was introduced in the Parliament—despite

the fact that before the Bill was introduced there was extensive consultation with all the relevant stakeholders—there were further demands for further consultations and the Government stepped in, facilitating those further consultations.

Mr. Speaker, from 1997 to even a few months ago, in respect of this Bill, there have been discussions. After 1997, when the discussions occurred an amended Bill was produced and this Bill really represents the consultation process which has occurred from 1996 to about 1999. The consultations which occurred included not only consultations within the Government and within the governmental structure, but also with the Stockbrokers' Association of Trinidad and Tobago, remittance services—those are the senders and receivers of money transfers—automotive dealers, real estate agencies, Trinidad Chamber of Commerce, the banking community and also with the Central Bank.

I mentioned that, Mr. Speaker, because the provisions of this Bill are very far-reaching but, as we all know, when the Vienna Convention on drugs was adopted by countries, these countries undertook to take steps on a national level to ensure that their laws were brought to a standard which would fit the international norm. Some of those norms included having a structure where, in respect of mutual legal systems in criminal matters, there would be a situation in which countries would be able to effectively participate in mutual legal assistance.

According to Article 7 of the Vienna Convention:

“1. The Parties shall afford one another, pursuant to this article, the widest...”

possible

“measure of mutual legal assistance in investigations, prosecutions and judicial proceedings in relation to criminal offences established in accordance with...”

the Convention. Some of these matters in which assistance is to be provided include the taking of evidence, executing searches, identifying and tracing the proceeds, property and instrumentalities or other things for evidentiary purposes in relation to serious crimes. Serious crimes are considered to be offences which carry punishment for at least one year.

Mr. Speaker, having said that, we are aware that among the 40 recommendations of the Financial Action Task Force is:

“Recommendation 4

Each country should take such measures as may be necessary, including legislative ones, to enable it to criminalise money laundering as set forth in the Vienna Convention. Each country should extend the offence of drug money laundering to one based on serious offences.”

One of the things that countries had to do was not only to make money laundering—as far as drug trafficking is concerned—a serious criminal offence, but also to be able to have the courts order the confiscation and forfeiture of property derived from not only drug trafficking but from all serious crimes.

**1.45 p.m.**

One of the things which this Bill would do, Mr. Speaker, is to extend the net; to widen that net, because at the present time under the trafficking and money laundering laws we should have the confiscation and forfeiture of assets in relation to proceeds derived from drug trafficking. But under the Proceeds of Crime Bill we would have a situation where the courts would have jurisdiction to order the confiscation and forfeiture of assets derived from all serious crimes.

If in a matter investigations have shown that people have been committing serious crimes to make profit from those crimes, and people have benefitted from those crimes, even though they are not drug trafficking offences but they are serious crimes—I would specify how they are dealt with under the Bill—it will give the courts the power to do that.

Mr. Speaker, concerning recommendations 10 to 29, which deal with the question of the obligation of banks to disclose suspicious transactions and to keep proper records so that there would be banking accounts in which the identity of the persons would be known, it is stated in recommendation 8:

"Recommendations 10 to 29 should apply not only to banks, but also to non-bank financial institutions. Even for those non-bank financial institutions which are not subject to a formal prudential supervisory regime in all countries, for example, bureaux de change..."

Insurance companies and so forth.

Recommendation 10 states:

"Financial institutions should not keep anonymous accounts or accounts in obviously fictitious names: they should be required (by law, by regulations, by agreements...to identify, on the basis of an official or other reliable identifying document, and record the identity of their clients, either occasional or usual, when establishing business relations or conducting transactions..."

Mr. Speaker, under this Bill is an obligation on the bank, financial institutions and persons who conduct relevant business activities under the Bill, to keep records and to disclose suspicious transactions to a central authority. The reason for that is, obviously, if you want to be able to detect money laundering you must have some machinery whereby when there are suspicious transactions detected by banks, financial institutions and other relevant business activity, there is an obligation to disclose, and if there is no disclosure there is the commission of a criminal offence for which persons can receive very heavy fines and even imprisonment.

I am still reading from the Financial Action Task Force Recommendations. I am reading from this in order to show the context in which the legislation has been developed. Recommendation 13 states:

"Countries should pay special attention to money laundering threats inherent in new or developing technologies that might favour anonymity, and take measures, if needed, to prevent their use in money laundering schemes..."

If financial institutions suspect that funds stem from a criminal activity, they should be required to report promptly their suspicions to the competent authorities."

As we all know, these recommendations of the Finance Action Task Force have been adopted by different regions and countries. We in this region form part of the Commonwealth scheme, and Trinidad and Tobago has taken a decision at the international and regional level to implement these measures. We are also fully aware that there are certain criteria which are now used to determine whether countries have passed these tests. There are mechanisms in place that when countries have not taken the required steps, the countries' names are published as jurisdictions which had not cooperated in the fight against money laundering.

We know that there are in existence in Trinidad and Tobago anti-money laundering guidelines issued by the Central Bank of Trinidad and Tobago with which all financial institutions licensed under the Financial Institutions Act of 1993, have to comply. These guidelines incorporate the Financial Action Task Force recommendations and the Caribbean Financial Action Task Force recommendations, for measures to prevent money laundering in deposit-taking institutions.

It should be noted that these are merely guidelines and they cannot be enforced because there is no legislation or regulations. Even where it is found that transactions have been suspicious and can cause some sort of investigations which may result in the detection of money laundering, under the present set up there is no legal obligation on banks, financial institutions or individuals with relevant business activity, to make any disclosures. It is in this context that the international community in the fight against money laundering and transnational organized crime, have been asking for countries to take these measures.

Mr. Speaker, I would just mention a fact: on June 22, 2000, the Financial Action Task Force published a report identifying 15 jurisdictions as non-cooperative in the fight against money laundering. Six of these jurisdictions are members of the Caribbean Financial Action Task Force and comprise: Bahamas, Cayman Islands, Dominica, St. Kitts and Nevis, St. Vincent and the Grenadines and Panama. Mr. Speaker, Trinidad and Tobago has not been on this list, but it is known that Trinidad and Tobago has taken steps in order to put anti-money laundering measures in place, and it was known that this Bill was before the Parliament.

Mr. Speaker, this Bill, in addition to making improvements on the existing laws of confiscation which exist at the present time under the Dangerous Drugs Act, apart from making improvements to those laws, extending it to confiscation from serious crime and not limiting it to drug trafficking offences, also makes radical reforms in respect of money laundering, and, as I said, to apply to all serious offences.

When I go through the Bill I would, in effect, refer Members to what it does. Added to this Bill there would also be financial regulations in which its financial obligation regulations would be made by the Minister, under this Bill. These regulations will assist in implementing the law that is stated here in respect of money laundering.

Mr. Speaker, why do we have to combat money laundering? People who commit crimes need to disguise the origin of their criminal money so that they can use it more easily. The fact is that the basis for all money laundering, whether that of the drug trafficker or organized criminal: the arms trafficker, the blackmailer, the terrorist or the credit card swindler, is that the money must be hidden and disguised if he is not to be identified.

Money laundering generally involves a series of multiple transactions used to disguise the source of financial assets, so that those assets may be used without compromising the criminals who seek to use the funds. Through money laundering the criminal tries to transform the monetary proceeds derived from illicit activities into funds with an apparently legal source.

Mr. Speaker, money laundering has had devastating effects and devastating social consequences, and it is considered to be a threat to national security, because it provides the fuel for drug dealers, terrorists, illegal arms dealers, corrupt public officials and other criminals, to operate and expand their criminal enterprises. In doing so, the criminals manipulate the financial systems of the country, of the region and of the world. Therefore, unchecked money laundering can erode the integrity of a nation's financial institutions.

Due to the high integration of capital markets, money laundering can also negatively affect national and global interest rates as launderers reinvest funds where their schemes are less likely to be detected, rather than where rates of returns are higher because of sound economic principles. Organized financial crime is assuming an increasingly significant role in money laundering and threatens the safety and security of people, states and democratic institutions. In recent years, crime has become increasingly international in scope, and the financial aspects of crime have become more complex due to rapid advances in technology and the globalization of the financial services industry.

Mr. Speaker, modern financial systems permit criminals to order the transfer of millions of dollars instantly through personal computers and satellite dishes. Money is laundered through currency exchange houses, stock brokerage houses, gold dealers, casinos, automobile companies, insurance companies, trading companies, private banking facilities, offshore banking, shell corporations, free trade zones, wire systems and trade financing: all have the ability to mask illegal activity.



The criminal's choice of money laundering vehicles is limited only by his or her creativity, and that is why it is important for countries to provide laws, the legal infrastructure, safeguards, mechanisms, in order to detect money laundering, and when detected, to have the machinery in place in order to have confiscation proceedings successful and, if necessary, to be able to forfeit the property of those convicted, insofar as the proceeds were used for drug trafficking or serious offences.

**2.00 p.m.**

Mr. Speaker, one would see therefore why it is important for a country to take what are considered to be very harsh measures which are sometimes described as draconian. Where governments have to deal with drug lords, money laundering and the problems which the international community face, the international community has recognized that these harsh laws, even if they are considered draconian, are necessary to protect the public interest.

Mr. Speaker, attacking the financial gains of those involved in drug trafficking and those drug barons and persons involved in organized crime has been considered to be the most effective way to hit them—in their pockets where they are most vulnerable. According to the United Nations estimates, the illegal drug trade has reached a global level of US \$500 billion annually, more than the profits generated by the international oil and gas industry, and twice as much as the auto industry.

Mr. Speaker, this drug money has to be laundered through the international financial system. The communications revolution, and the globalization of financial markets and new technologies have transformed the way we do business. So today traffickers can transfer their moneys easily from jurisdiction to jurisdiction and therefore, governments have to be vigilant to ensure that countries do not unwittingly become havens for drug money. Drug traffickers also use front companies to hide their assets and to disguise their origin and destination. The International Monetary Fund estimates that more than a million front companies are in existence and that money laundering accounts for about 8 per cent of international commerce. So we see with what we are dealing.

Mr. Speaker, in this Bill, the removal of assets from those who have been convicted of a crime is provided for—and that crime is drug trafficking. The 1994 Dangerous Drugs Amendment Act provided for the confiscation of the proceeds of drug trafficking. This 1994 Act amended the Dangerous Drugs Act of 1991. The Proceeds of Crime Bill seeks to go even further and it is an attempt to deprive those who have been convicted of any specified offence, which includes, but is not limited to a drug trafficking offence, of any benefit derived in the commission of the particular offence. The offence would be either a drug trafficking offence or an indictable offence, or one of the offences specified under the Second Schedule.

In the Second Schedule is an offence under the Income Tax Act, an offence under the Corporation Tax Act, an offence under the Value Added Tax Act, an offence under the Customs Act and an offence under the Copyright Act. I should say that one of the areas in which much discussion occurred was whether in some of these offences mentioned in the Second Schedule, there should not be some reduction in the offences. I mentioned that to the House so it would know that is one of the areas in which there were discussions, but the obligation of Trinidad and Tobago is in respect of all serious offences and this is an area in which I would say that at the committee stage of the Bill we would probably be able to hear what the Opposition Members have to say, but this is one area of the Bill in which there was a lot of discussion.

**Mr. Valley:** Mr. Speaker, is the Attorney General saying that an offence under the Income Tax Act, having nothing to do with drugs, would now qualify for the penalties outlined in this Bill? For example, if one were to file his income tax return late, which is an offence under the Income Tax Act, he would then be subject to penalties under this Bill? Is that what this is saying?

**Hon. R. L. Maharaj:** If it is found that the offence is being used to make a profit by not filing the returns, and profit is derived from not complying with the law, then under this Bill, the proceeds of that profit would be able to be ordered to be taken.

**Mr. Valley:** I thought we are dealing with drugs and drug-related offences. This is the Proceeds of Crime Bill, you have the Income Tax Act and you can have offences under that Act and you can have offences under the Customs Act, but why are we mixing that with this drug related Bill?

**Hon. R. L. Maharaj:** Obviously, the hon. Member for Diego Martin Central was not listening because I spent a lot of time showing how we are required by the Financial Action Task Force recommendations to not only limit confiscation of profits from crime to drug trafficking offences, but we are required to pass laws in order for the court to order the confiscation of assets in respect of profits derived from all serious crimes.

Mr. Speaker, I will explain the Bill in committee stage because it is a long Bill and I have much to cover. The policy of the Bill is not limited to proceeds of drug trafficking, the policy extends to proceeds of all serious crime and that means if, for example, one commits any offence and it is a serious crime under these measures, it means the court would have the power to do that.

Mr. Speaker, one of the obstacles in countries not being able to deal with money laundering is because of exactly what the Member for Diego Martin Central has said, that income tax violations should not be covered by the Act and one of the areas in which money laundering can be detected is if the income tax compliance can be prosecuted in a way in which the proceeds of crime can be taken.

Mr. Speaker, may I say I can now understand why the last administration did not go this route although the Financial Action Task Force was asking for these recommendations to be implemented, and I understand it is a route where much discussion would have to take place and that is why I spent a lot of time explaining that the discussions took place and this is where we have arrived.

**Mr. Manning:** Which countries have passed this?

**Hon. R. L. Maharaj:** I am very surprised that a person like the Member for San Fernando East, who has been a Prime Minister, does not know which countries have passed this. Most of the Commonwealth countries have passed it including the United Kingdom, Canada, there are Caribbean countries that have passed it, and the Bahamas has recently passed it.

**Mr. Panday:** Men getting jumpy.

**Hon. R. L. Maharaj:** Mr. Speaker, as I was saying before the Member for Diego Martin Central intervened, I notice everybody on that side are getting worried. They are saying: "This is trouble boy, I have to read this Bill now."

The Bill makes a clear distinction between a specified offence which is defined as any indictable offence or an offence created under the Income Tax Act, Corporation Tax Act, Value Added Tax Act and the Customs Act and a drug trafficking offence. The drug trafficking offence attracts a separate procedural approach in that in respect of a specified offence, not a drug trafficking offence, the confiscation can only be in respect of the proceeds derived from that offence, but in respect of a drug trafficking offence, the court can order the confiscation of proceeds in respect of all drug trafficking activity not limited to the specified offence of drug trafficking. So where, for example, you have the court investigating to determine whether the person who is convicted derived profits from drug trafficking, if the court sees not only in respect of that offence which is before the court for which he was found guilty, but also in respect of other drug trafficking incidents he derived profit, the court has the power for a period of six years before the date of the charge to order the assets derived from drug trafficking to be confiscated.

Mr. Speaker, this is not a case where the person against whom the order is made does not have a right of hearing. As a matter of fact, in order for these measures to be triggered, the person first has to be convicted either of a drug trafficking offence or one of the specified offences. If he is convicted and if it is found under the procedures that there should be this investigation in respect of profits derived from his crime, then the court looks at the matter. There are certain assumptions, and the person would be given an opportunity to be heard and he can appeal to the Court of Appeal, and to the Privy Council, but there is full due process of law for the person to show that he did not use the commission of crimes in order to make profits.

Mr. Speaker, a person can be convicted of a specified offence either at the level under the Bill of the Magistrates' Court or the High Court and by virtue of clause 3 in instances in which a person has been convicted in the Magistrates' Court of a specified offence; and if we look at the definition section and see what "specified offence" is, it says:

“‘specified offence’ means an indictable offence or an offence specified in the Second Schedule.”

So where a person has been convicted in the Magistrates' Court of a specified offence, the magistrate or the Director of Public Prosecutions can send the case to the High Court for the determination of whether a confiscation order should be made in circumstances in which it appears that a benefit has been derived from the commission of the particular specified offence. So if it is in the Magistrates' Court, on the application of the Director of Public Prosecutions, the magistrate on his own volition on the basis of what he has before him would send it to the High Court for determination.

With respect to a person convicted of a specified offence before the High Court, the High Court on its own motion, or by written notice from the Director of Public Prosecutions shall make a determination as to whether the offender has benefited from the commission of the specified offence. If the offence for which the offender is convicted, Mr. Speaker, is a drug trafficking offence, then the court shall determine if the offender has benefited from drug trafficking.

### **2.15 p.m.**

With respect to a specified offence that is not a drug trafficking offence, the benefit is quantified as the value of the property obtained as a result of or in connection with the commission of the offence. If a pecuniary advantage is obtained as a result of the commission of the offence, then the benefit is the

money value of such particular advantage. With respect to drug trafficking, Mr. Speaker, the benefit derived is given a much wider meaning that encompasses any payment or reward obtained in connection with the commission of drug trafficking.

By virtue of clause 4, the court in making a confiscation order must, in its determination of the actual quantum, have regard to whether a victim of the specified offence has instituted or intends to institute civil proceedings. So therefore, Mr. Speaker, before the court makes a confiscation order, if a victim of the person has instituted proceedings in relation to the property of the defendant, then the court must take those matters into consideration before it makes the order.

By virtue of clause 5, provision is made for the calculation of the amount that an offender could be required to pay under a confiscation order when an offender is convicted of a specified offence, other than drug trafficking, in instances in which the Director of Public Prosecutions exercises its power to have the High Court make a determination as to whether there has been a derived benefit from the commission of the offence. The benefit must, however, be \$1 million or more, either for the particular offence or as an aggregate of other benefits derived from a previous specified offence that is not a drug trafficking offence. What this means, Mr. Speaker, is that if on the face of it the Director of Public Prosecutions certifies that the benefit is more than \$1 million, then there are certain assumptions which the court can make in determining whether a benefit has been derived from the offence.

One of the assumptions is—and I say it is purely an assumption, and the defendant would have an opportunity of showing that assumption is wrong—that any property held by the offender or transferred to him at the date of the conviction, or at any time between that date and the determination of the confiscation order, was derived by him as a result of the commission of the offence. Another assumption is that any expenditure made by the offender during the relevant time period was made from payments that would be deemed a benefit. Another assumption is that any benefit derived during the relevant period was unencumbered.

So, Mr. Speaker, one sees that in legislation, and in model legislation which has been given by the Commonwealth, by the United Nations—and even quite recently the United Nations is doing a model Bill to deal with transnational organized crime—the international community has devised new procedures to make the detection of money laundering easy and, in effect, to cast some responsibility on the defendant to explain circumstances. For the person against

whom the assumptions are made, the court is given opportunities to show that these assumptions are not correct. It is provided in the Bill expressly that, if the court does not make any of these assumptions, the court must state its reasons for not making the assumptions. The purpose of that is for the defendant to know, if the matter has to go on appeal, exactly how the court arrived at its decision.

With respect to drug trafficking offences under clause 6, the term “benefit” is given a wider meaning in that it encompasses all payments or rewards obtained by the offender and the value of the benefit is the aggregate for the payments or reward so received. In respect of drug trafficking matters, the court is entitled to make the same kind of assumption about which I have just spoken, the relevant period for such assessment being six years, ending when the proceedings were instituted against the person.

Clauses 7 and 8 of the Bill deal with the calculation of the amount of the confiscation order. In making the order, the quantum shall be equal to the benefit derived from the offender or the amount that might be realized at the time the order is made, and the lesser of the two quanta shall be the amount of the order, Mr. Speaker. In the case of realizable property, when a confiscation order is made, the determination of the amount of the order is the total of the values of the realizable property held by the offender, together with the total value of any gifts that are considered a benefit, less the total values payable for any encumbrances or interest of priority on the property.

Mr. Speaker, very important, it should be noted that although the onus on the prosecution in proving the guilt of the person is the standard of proof beyond a reasonable doubt, that is to say, before the court can proceed to do an investigation to see whether property should be confiscated or there should be a confiscation order or there should be an order for the person to pay money, there must be a conviction for either drug trafficking or for one of the specified offences. In respect of the conviction, the prosecution must prove beyond all reasonable doubt the guilt of the accused. So that, if there are reasonable doubts, the accused is entitled to be acquitted. However, in respect of the confiscation proceedings, that is to say, in respect of the proceedings to determine whether the person has benefited from the crime, those really are civil proceedings. In order to determine whether there should be a confiscation order, the civil standard of proof is, as in all civil cases, on a balance of probabilities.

Mr. Speaker, under clause 11 of the Bill the court shall first determine the confiscation proceedings before imposing sentence. So what happens is, in a matter where there is going to be a confiscation investigation by the court, the court does not pass sentence until after those proceedings are completed. So the passing of sentence is suspended until those proceedings are completed, because obviously whatever order the court makes on the confiscation proceedings can have an effect on what sentence the court will pass. Clause 12 enables a postponement of the proceedings, either by the application of the offender or the DPP or by the court's own motion, and the total period of the postponement must not exceed two years after the date of conviction unless the circumstances are exceptional.

Mr. Speaker, what is here has happened in a case quite recently. As I said, with the passage of this Bill relevant sections in the Dangerous Drugs Act which deal with confiscation would be repealed, as provisions involving such confiscation are part of the laws of Trinidad and Tobago, and in the reform section they will form part of the comprehensive confiscation and forfeiture schemes created by this Bill. What I just said in clauses 11 and 12 happens in Trinidad and Tobago at the present time under the existing confiscation proceedings for drug offences. One will remember the Ramdhanie matter in which he was convicted but the sentence was not passed and then there was the investigation, then the order was made and then the sentence was passed at the same time.

Under clause 13 an onus is placed on the Director of Public Prosecutions to furnish the court with a statement relating to matters relevant to determining whether the offender has obtained a benefit or an assessment of such benefit. The Director of Public Prosecutions may then furnish the court with a further statement by his own action or by a directive from the court. If the statement tendered by the Director of Public Prosecutions contains allegations which the offender accepts, the court is entitled to treat such acceptance as conclusive of the fact. The court has the power to request of the offender an indication by him as to the extent of the allegations he accepts and the allegations he challenges. So it is a fair procedure in that the DPP's statement in which he makes allegations is given to the accused. In respect of those allegations made about the profits derived from drug or from any other offences, the person would be able to respond and say what he accepts and what he denies. It is just like an ordinary pleading. When the matter goes to court, the court will deal with the matter in which there are denials. If there is a denial of all the allegations the court will investigate all of the allegations.

Mr. Speaker, I want to make it clear, it is not the Government investigating these allegations, it is the court—a judge. It is not even a magistrate but a judge. After a judge it goes to three judges in the Court of Appeal and after the three judges it goes to five judges in the Privy Council. When the Caribbean Court comes on stream it will be the Caribbean Court of Justice, whether we want five or 10 judges on the Caribbean Court of Justice. So that they will not be politicians, the Opposition, the Government or Government agencies, but judges—members of the Judiciary.

Under clause 14 the offender may be ordered by the court to furnish it with any information specified in the order and a failure by the offender to comply with such order without reasonable excuse enables the court to draw any inference from the offender's inaction as it deems appropriate.

Under clause 15, if the DPP did not exercise its power, after conviction in the Magistrates' Court, to send the matter to the High Court for determination as to whether a confiscation order should be made or if, before the High Court gave no notice to the court to proceed to a confiscation order, he subsequently has evidence which would have justified such action by him, the court can consider the new evidence in the light of all the circumstances.

Mr. Speaker, what this means really is that there may be times when there is a conviction for drug trafficking or a conviction for a specified offence, and the DPP at the time would not have any evidence to support the contention that the proceeds of crime were derived from those offences, either the drug trafficking or for any other offences. This gives the DPP an opportunity, if at any time later he gets that evidence, for an application to be made and for the court to consider whether they would have a fresh determination of the matter.

Clause 17 says that, provided that more than six years has not passed since the date of the conviction of the offender, the court is allowed to review the assessment of the amount of a confiscation order if the DPP is of the view that the value of the benefit was greater than that assessed by the court. If the court is so satisfied it should have the power to increase the amount of the order to such an extent as it considers necessary.

Clauses 18 to 21 deal with the power of the court to make restraint orders preventing the offender from dealing with the property which may be the subject of an order. Well, that is what is in the existing legislation now in any event.



**2.30 p.m.**

Clauses 25 to 28 and clause 35, Mr. Speaker, deal with the power of the court to make a confiscation order in the absence of the offender, and in certain circumstances, to cancel an order so that where an offender has died or is abroad, the Director of Public Prosecutions may apply to the court to make a confiscation order against the estate of the person. The court is mandated to hear persons who are likely to be affected by the order.

Mr. Speaker, under clauses 29 and 30, where a person against whom an order is made is not convicted or his conviction is quashed or he is the recipient of a presidential pardon—and that is in relation to a pardon which is a pre-conviction pardon—the High Court may order compensation to a person who held realizable property upon making an application. The order for such compensation will not be made unless the court is satisfied that there has been some serious default on the part of the investigator or the prosecution. We provide a mechanism, an additional redress, for persons against whom orders have been made but they have been wrongfully made.

By clause 31, if an offender does not pay the amount of an order in the stipulated time, interest accrues and becomes payable by him as part of the order and further, the offender shall be liable to imprisonment for non-payment. If the offender fails to pay any interest that has accrued, the High Court may, on the application by the DPP, increase the term of imprisonment fixed for default of payment.

Mr. Speaker, any term of imprisonment served by the offender as a result of non-payment of the order does not prevent the order from having effect and the money remains due and owing. Otherwise, persons would just serve the term of imprisonment, and the order for payment would not be paid. That is why the law provides for imprisonment and payment.

**Mr. Manning:** Draconian legislation.

**Hon. R. L. Maharaj:** Yes, draconian legislation, as the Leader of the Opposition has said, but the international community has recognized that any government who seriously wants to deal with the drug lords has to pass very harsh measures, because what the drug lords do, in effect, is poison children and kill people.

Mr. Speaker, clauses 32 to 34 deal with the power of the court to make orders and issue warrants enabling police officers to have access and to take possession of documents. May I say that when the Caribbean Financial Task Force recommendations were accepted, the Government of Trinidad and Tobago and the previous government accepted those recommendations and undertook to pass the necessary laws to give effect to it. I can now understand why they did not.

**Mr. Manning:** In the winter of your days.

**Hon. R. L. Maharaj:** In the winter of our days? He believes now in spring, summer, autumn and winter. *[Laughter]*

**Hon. B. Panday:** And fall!

**Hon. R. L. Maharaj:** Mr. Speaker, the first part of the Bill deals with the confiscation matters which I have tried to explain. In Part II of the Bill, it deals with the money laundering provisions.

Clause 43 prohibits laundering of money or other property derived, obtained or realized directly or indirectly from drug trafficking. The offence of money laundering is committed under this clause where a person conceals, disposes, disguises, transfers or brings into Trinidad and Tobago, or removes from Trinidad and Tobago, any money or other property knowing or having reasonable grounds to suspect that it is related, as aforementioned, to drug trafficking.

Clause 44 prohibits another aspect of money laundering which is the concealing or disguising of property which directly or indirectly represents the offender's proceeds of a specified offence or drug trafficking, or where the offender converts, transfers, disposes or removes the property from the jurisdiction for the purpose of avoiding a prosecution for a specified offence or avoiding the making or enforcement of a confiscation or forfeiture order against him.

A person will be guilty of an offence under clause 45 where he acts, as under clause 44, but instead of the property being his, as in that clause, he knows or suspects that the property directly or indirectly represents another person's proceeds of a specified offence or drug trafficking.

Mr. Speaker, under clause 46, a person who receives, possesses or coverts money or other property—and property has a very wide meaning to include land and non-land—that he knows or has reasonable grounds to suspect directly or indirectly, represents another person's proceeds of a specified offence, commits an offence, and wherever the person charged acquired the property for adequate consideration, he would not be guilty of an offence under this section.

Clause 47 provides defence to persons who have acted in relation to property in contravention of clauses 43—46 but disclosed to a police officer, a suspicion or belief that the property directly or indirectly represents another person's proceeds of a specified offence or drug trafficking or discloses to a police officer any matter on which such belief is based.

Clause 48 also provides a defence that a person may have intended to make such a disclosure or have reasonable excuse for failing to make such a disclosure. So, there are defences available.

Clause 49 provides a defence similar to those provided in clauses 47 and 48 to a person who made the disclosure while he was in employment, which disclosure was made in accordance with the procedure established by his employer.

Under clause 50, a police officer or other person would not be guilty of money laundering where he is acting in good faith and on reasonable grounds in connection with the enforcement of a provision of the Act of any written law relating to a specified offence.

Clause 51 prohibits the disclosure to a person of information or other matter that is likely to prejudice an investigation into money laundering. This is new. This is like if one gives a tip-off to a person and that now makes it an offence.

Clause 52 makes it an offence for a person who, in the course of his trade, profession, business or employment becomes aware or suspects that another person is engaged in money laundering and he does not disclose this to the police officer within a reasonable time thereafter. An attorney-at-law acquiring this information in privileged circumstances, and a person with reasonable excuse for not disclosing the information, would not be guilty of the offence under this clause, but if the attorney sees that the matter is being used for criminal purposes, he would be liable.

Clause 53 specifies that for an offence committed under clauses 43, 44, 45, 46, 51 and 52, the penalty on summary conviction is a fine of \$10 million and to imprisonment for 10 years and on conviction and indictment to a fine of \$25 million and to imprisonment for 15 years. It gives the court that discretion in that the court would be able to determine the fine and the imprisonment.

Mr. Speaker, there are certain amendments that we have circulated which will show that in relation to the public service, the Minister responsible for public administration may make regulations to provide that in such circumstances as may be prescribed, sections 43, 45, 46, 51 and 52 shall apply to such persons in the public service of the state, or such categories of such person in the service in

the execution of the duties as may be prescribed. Regulations made under this section shall be subject to an affirmative resolution of Parliament. It means that if employees dealing with cash transactions see that there are suspicious transactions, there is an obligation on them to report it to the police or to the central authority.

Clause 55 requires every financial institution or a person engaged in a relevant business activity—and financial institution is defined in the Act, Mr. Speaker, to mean a bank licensed under the Banking Act; a financial institution licensed under the Financial Institutions Act; a building society registered under the Building Society Act; a society registered under the Co-operative Societies Act; an insurance company registered under the Insurance Act; a person licensed under the Central Bank Act to operate an exchange bureau; a person licensed under the Securities Industry Act as a dealer or investment advisor; a person who carries on cash remitting services; a person who carries on postal services, or any other person declared by the Minister by order subject to negative resolution of Parliament to be a financial institution for the purposes of this Act.

What clause 55 does is require every financial institution—those are the people mentioned there, persons and institutions—or person engaged in a relevant business activity—and a relevant business activity, Mr. Speaker, is defined in the First Schedule to include real estate business, motor vehicle sales, courier services, gaming houses, jewellers and pool betting—requires every financial institution or person engaged in a relevant business activity to keep and retain records relating to its financial activities in accordance with the regulations made under clause 56(1) of the financial obligations. We have already drafted those regulations and I have instructed for those regulations to be circulated so members can have an idea of the regulations.

Relevant business activities are listed in the First Schedule and comprise, as I said, subclause (2) which requires every financial institution or person engaged in relevant business activity to pay particular attention to certain specified types of transactions. Subclause (3) stipulates that a financial institution or person engaged in a relevant business activity shall report all suspicious transactions to the designated authority who is a person appointed by the Minister under subclause (8).

Subclause (4) exempts those who report suspicious transactions from liability for breach of confidentiality laws. Subclause (5) and (6) require every financial institution or person engaged in a relevant business activity to develop and implement a written compliance programme, reasonably designed to ensure and monitor compliance regulations made under the Act.

Subclause (7) authorizes a designated authority or someone delegated by him to enter into the premises of a financial institution or person engaged in a relevant business and activity to inspect its records and determine whether a compliance programme has been implemented or whether there is compliance with the Act.

Clause 56 empowers the Minister to make regulations regarding the duties of record keeping and customer identification to be undertaken by a financial institution or person engaged in relevant business activity.

Clause 57 specifies the penalty to be imposed on a person who knowingly contravenes or fails to comply with clause 55 or with regulations to be made under this Act. Such person is liable on summary conviction to a fine of \$500,000 and to imprisonment for two years, and on conviction on indictment to a fine of \$3 million and to imprisonment for 7 years.

Mr. Speaker, these fines and imprisonment may sound high, but when we considered the nature of the matters and the kind of punishment which is provided by the Government under this legislation, we decided to take this approach and to review it from time to time in order to see whether it should not be increased.

Under clause 58 of the Act, a seized assets fund will be established, which will comprise cash or property confiscated, forfeited or seized under the Bill. The finances in this fund are to be used in accordance with subclause (3) for the purpose of community development, drug abuse, demand reduction and rehabilitation projects and law enforcement. Subclause (4) empowers the Minister to make regulations for carrying into effect the purpose of this clause.

Clause 59 empowers the Minister to make regulations. Clause 60 would amend the Supreme Court of Judicature Act so that a person who is convicted of an offence for which a confiscation order may be made against him is required to give his intention to appeal his conviction within 14 days of the date of his conviction. There have been some difficulties with this process because of the fact that the sentence is postponed to allow the confiscation proceedings.

Clause 61 would repeal certain specified provisions of the Dangerous Drugs Act, except that proceedings in respect of a drug trafficking offence which is commenced before this Bill becomes law, is to proceed as if the aforementioned sections continue to have effect. What this does is that this is a transitional provision under clause 61 that matters which are before the court would continue in respect of the provisions of the old law. So, in effect, the passage of this Bill would not mean that there would be a problem with the existing prosecution.

Mr. Speaker, as I said, some of the provisions relating to confiscation in respect of drug trafficking, when repealed, would be part of this Bill, and what this Bill does is really extend the net, not only for proceeds of drug trafficking, but also to proceeds of all serious crimes. Secondly, in respect of money laundering, it extends it to money laundering being an offence, not only to disguise money in relation to drug trafficking, but to disguise money in relation to any serious crime.

**2.45 p.m.**

Mr. Speaker, as you would have noticed also from the presentation, there is an obligation under the Bill for financial institutions and relevant business activity to disclose suspicious transactions and to take steps in order to comply with the regulations. Just to mention that although the regulations are not before us, I have circulated the regulations to give an idea as to how this thing is going to work.

It would mean that:

“...every Financial Institution which in the course of a transaction receives cash, bank cheques, drafts, money orders or travellers cheques...in the amount of \$10,000 or more shall keep and retain a large cash transaction record that indicates—

- (a) either—
  - (i) where the money is received for deposit, the name of the person in whose account the amount is deposited, or
  - (ii) in any other case, the name of the individual from whom the money is received and, if the information is not readily obtainable from other records kept and retained by the recipient pursuant to these Regulations, the individual's address and the nature of the principal business or occupation in which the individual is engaged;
- (b) the date and nature of the transaction;
- (c) the number of any client account that is affected by the transaction;...”

So you cannot have an unnumbered account

- (d) the amount of money received and the currency in which it is received, and

- (e) where, in the case of a recipient who is a natural person, the recipient or an employee of the recipient who conducts the transaction on behalf of the recipient or in the case of a recipient who is a corporation, an employee or director of the recipient who conducts the transaction on behalf of the recipient, has reason to believe that the individual from whom the money is received is acting on behalf of a third party, and if so...the name of the third party and..."

The Regulations continue:

"...two or more transactions entered into on the same day and resulting in a total amount of money received of \$10,000 or more shall be treated as a single transaction..."

Mr. Speaker, the other obligation would be:

"4. (1) Every person who in the course of relevant business activity..."

That is to say, the business activity which falls under the First Schedule, not a bank or financial institution, but like pool operators and other businesses.

"receives money in the amount of \$50,000 or more, shall keep and retain a large money transaction record that indicates—

- (a) the name, address and occupation of the person tendering the money;
  - (b) the driver's licence number, identity card number or passport number of the person tendering the money;
  - (c) the date and nature of the transaction;
  - (d) the amount of the money, and
  - (e) the name, address and occupation of any third party on whose behalf the money is tendered.
- (2) For the purposes of...two or more transactions entered into on the same day and resulting in a total amount of money received of \$50,000 or more shall be treated as a single transaction...
5. Every financial institution shall keep and retain the following records:
- (a) a signature card in respect of each account holder;
  - (b) every account operating agreement that is received or created in the normal course of business;

- (c) a deposit slip in respect of every deposit that is made to an account;
- (d) every debit and credit memo that is received or created in the normal course of business;
- (e) a copy of every account statement that is sent to a client...
- (f) every cleared cheque that is drawn on, and a copy of every cleared cheque..."

Mr. Speaker, I do not think the Opposition will object to this because the banking community did not object. The Regulations continue concerning the image of the cheque:

- “(c) it is possible to readily ascertain where the image of any particular cheque is recorded; and
  - (d) the microfilm or electronic medium is retained for a period of at least five years...
7. Every person who is engaged in the business of dealing in securities shall keep and retain the following records:
    - (a) a signature card...
    - (b) every new account application form...
    - (c) ...every monthly statement...
  8. Every person engaged in a relevant business activity shall keep and retain a client information form which shall include—
    - (a) a transaction record for every money transaction...;
  9. Every life insurance company shall keep and retain a client application form for every purchase of an immediate or deferred annuity, or of an insurance policy, for which the client will pay \$10,000 or more.

Then it deals with machine-readable copy of a document.

It says:

- “11. A person who is required to keep and retain records pursuant to regulations 3 to 9 shall retain those records for a period of at least six years...”

There must be the identity of the individual who signs the signature card in respect of accounts, business operations, and life insurance policies *et cetera*.



Mr. Speaker, what we are doing here is really to give effect to the international commitment made by Trinidad and Tobago in having effective laws and regulations for the supervision of financial institutions and business houses, in order to ensure that money laundering can be detected.

The commitment that we have taken is in respect of not only to limit it to drug trafficking, but to limit it—I read from the Vienna Convention and the Financial Action Task Force—in respect of all serious offences. As I said in opening this debate, this Government came in 1997 with this measure, after extensive consultation, but notwithstanding that there were requests to have further consultation. The consultations with the Law Commission, the Chief Parliamentary Counsel department and the representative of the Ministry of Finance, took a very long time. The Bankers Association prepared reports, and there were extensive discussions. I can say that there is general consensus from the consultation.

It is recognized that this Bill has been on the agenda for a long time, and the Opposition had the previous Bill and they had this Bill. The Bill was published and there were comments on all the matters. Mr. Speaker, I want to say in advance that this is not a measure that is coming overnight. The famous expression on the other side now is "like a thief in the night", everything is coming like a "thief in the night". [Laughter] [Crosstalk] I think that they are remembering one of their colleagues who said "all ah we tief". I think that is probably what they are remembering.

In respect of these measures, may I say that the Government would hope that the Opposition would support these measures, because whatever political differences parties may have in a Parliament, when it comes to the fighting of drugs, when it comes to the detection of money laundering, when it comes to ensuring that the drug barons do not poison our children, we have to make a choice between the drug barons and the people.

I hope, Mr. Speaker, that the Opposition would choose the people instead of the drug barons.

Thank you, Mr. Speaker, I beg to move.

*Question proposed.*

**Mr. Kenneth Valley** (*Diego Martin Central*): Mr. Speaker, I must admit that I am one, I am sure, of a number of persons in this community that whenever there are things having to do with drugs and drug related, pay very little attention to it. Some of us hold the view that if you want to get involved in drugs and so forth, you ought to take whatever is coming at you, but there is a second reason.

I think really that the whole concept of fighting drugs is somewhat like motherhood: I do not think that any rational individual can oppose it. However, sometimes, I cannot help but form the opinion that we pay mere lip service to the fight against drugs. At times it appears that we attempt to make it a political issue. Let us consider the legislation before us.

The legislation talks about the consolidation of the confiscation of proceeds of drug trafficking. We are told that in this legislation there is a Second Schedule. When we look at the Second Schedule it talks about offences under the Income Tax Act, the Corporation Tax Act, the Value Added Tax Act, the Customs Act and the Copyright Act.

These are other legislation, and one would expect that in those legislations they would outline penalties. For example, the Income Tax Act outlines penalties for failing to file income tax returns and all types of things. So, obviously, the first question one has to ask is: will the penalties here, the confiscation of properties envisaged under this legislation, be in addition to the penalties outlined under those other Acts?

Secondly, why are we dealing with these other matters? In other words, with an individual who may not have committed a drug related offence, why do we want to capture that under this legislation? Are we doing that so that the Opposition can object and then you go out there and say that the Opposition is objecting to the confiscation of property for drug offenders? Is that the intent, Mr. Speaker? Why are you mixing it?

Even if you consider that these increased penalties should apply in those cases, why do we not put it under the respective legislation? We have noted the concept of benefit and the concept that it must exceed \$1 million. If we believe that someone who benefits by failing to file income tax returns or avoiding tax in excess of \$1 million ought to suffer a confiscation of property, let us put that in the Income Tax Act. Why do we want to put it in a Bill having to do with drug related offences? Why do we want to do that? Why do we want to do the same thing with respect to the Customs Act?

If one were to attempt to defraud the Customs Department, all the taxpayers of Trinidad and Tobago, with respect to customs in excess of \$1 million—let us say that their espoused candidate for Tunapuna is supposed to have some customs matter, but if, in fact, we believe that such a person ought to suffer the fate of a confiscation of property, put it in the Customs Act. If you want in this Bill that drug related offenders should suffer such a fate, fine, but have that nexus; in other words, say clearly that it relates to drug offenders, but it is not so. Clause 5 makes it clear, Mr. Speaker.

**3.00 p.m.**

Clause 5(1) on page 14 states:

“This section applies to a case where an offender is convicted, in any proceedings before the High Court or a magistrates’ court of a specified offence other than a drug trafficking offence...”

As I have said, a specified offence is listed in Schedule 2. It is an offence under the Income Tax Act. I have a difficulty with that. This talks about a benefit in excess of \$1 million. Clause 4 is even worse. It states:

- (1) If the court determines that the offender has benefitted from the commission of a specified offence that is not drug trafficking subject to subsection (2) below, it shall then—
  - (a) determine in accordance with section 7 the amount to be recovered...”

In dealing with matters concerning income tax, customs and value added tax—I would agree if the person is charged with a drug related offence and you want to confiscate his property, we have no problem with that. There is no useful purpose to be served by having these other offences in this drug related Bill. I believe that the whole intent is simply to have the Opposition vote against this bill in this election period, so that they can go up and down the town and say the Opposition opposes the drug related Bill. We would assure them that if they take out that section relating to those other Acts, or make it a drug Bill, they would have full support of members of this side. If they want the offences, they should put them under the relevant legislation. We would deal with them there and see whether they are realistic. That is what I mean when I say that I view the whole initiative with respect to drugs and drug related offences as political posturing.

There is no seriousness in coming to grips with the matter. The hon. Attorney General informs us that he is acting on the instructions of somebody above. He is required by some financial action task force, or somebody is directing him, like all the Commonwealth countries to pass this legislation. This is our national Parliament. Our situation is quite different from that of the United States and Canada. We have to attack the drug situation. I think it qualifies for a non-partisan approach, where a parliamentary committee can look at the drug related problems of Trinidad and Tobago.

We see too many of our young people, our human resource being lost to that scourge. The problem is that while we see the effect, we can never find the master, although one would hear talk that everybody seems to know the master or masters. If one takes up the TNT Mirror for this week one would see a UNC candidate is now living by one of them. I do not know. I happen to know these people. We have to deal with our objective situation.

In fact, if we want to attack this problem rather than simply appear to the US agency as though we are doing something, making haste slowly, trying to pass legislation that they know would go nowhere; if we want to attack the problem rather than simply appear to be attacking the problem, I think we would want a non-partisan parliamentary committee to look at this situation.

Mr. Speaker, let me make it clear. Earlier today, you read this motion that the Attorney General is bringing on privilege about lying in Parliament. He has the nerve to bring such a motion in Parliament. The whole bunch of them make a joke of the Parliament and he has asked now to bring a motion. He has the nerve! He has the nerve!

I am making a general point dealing with the drug situation. As he is telling his colleague, the Member for St. Joseph, we want a parliamentary committee to confiscate property. *[Interruption]* Do you know how it is called? Absurdio absolutum. Ask the Member for Tobago East. He will tell you. Talk to him. I bet you cannot talk to him.

**Mr. Speaker:** Talk to me.

**Mr. Assam:** Manning talking to Beckles?

**Mr. K. Valley:** Yes.

**Mr. Speaker:** Order please.

**Mr. K. Valley:** Mr. Speaker, take the Member for Nariva for example, I think he would have an interest in having a parliamentary committee established to look at the whole issue of drugs and what systems we can put in place to deal with the matter. The Member for Nariva has a difficulty in his constituency. It is known. I am saying he knows it. I understand that that is a constituency where a number of persons' livelihood is dependent on marijuana. That is the reality.

We have an obligation to look at that situation and provide healthy economic alternatives to such a community. That is the point I am making. We cannot come here and say people are on drugs and try to ensure that we are not censured by the US embassy and agencies. We have to deal with Trinidad and Tobago and get rid of the scourge that is drugs. We see it. We have friends, family and neighbours who have fallen. We are losing valuable manpower. Unless we get serious, we will continue the game playing.

I must confess that I do not know whether the situation was helped when an Independent Senator used the privilege of the Parliament to confess to the world that he used the drug marijuana. I do now know what message he is sending to our young people. This is a country “if the priest could play, who is me?” I would have appreciated if he had kept his confession to himself... I think Archbishop Pantin made the point that we must always speak the truth, but that does not mean we must always speak.

With respect to subject legislation as it relates to drugs, we have no difficulty. We object to the inclusion of offences under other legislation, namely the Income Tax Act, Customs Act, Value Added Tax Act and the Copyrights Act. Could you imagine that? I wondered whether the Government contemplated or considered what “Big Brother” up North was trying to do when he demanded and made the Attorney General required to include copyright legislation under this drug related legislation? I wondered whether he spent a moment to consider what they were trying to do. Copyright and patents legislation is extremely important for the United States, as it ought to be. Because it is important for them, can it mean that we must now include it in a drug related Bill and allow for stiff penalties? It ought not so to mean.

On behalf of the Members on this side, my recommendation is that all of the Second Schedule should go. Just as an aside, my not being a lawyer, I ask for the avoidance of doubt, after making that change, that this Bill be passed by a special majority. This is to make assurance doubly sure. I do not know how we can speak about the confiscation of property without a requirement for a special majority.

With those few words, again, I pledge the support of Members on this side of the House. I make it abundantly clear that the Opposition would support this legislation as long as that Second Schedule goes.

Thank you.

**The Minister of Tobago Affairs and Minister in the Ministry of Finance (Dr. The Hon. Morgan):** Mr. Speaker, unfortunately the Member for Diego Martin Central has manifested and declared to all and sundry, that there is an abundance of intellectual bankruptcy residing on the other side. There is no way that anyone, who is aware of the way the world works, can come to this Parliament and so aggressively and effusively try to delink the offence of using the customs, immigration, banks and tax avoidance from money laundering. That is the essence of what money laundering is all about.

The immediate commission of the crime of importing and transporting drugs across international borders is just the beginning of a vast process of layering, placement and manipulation, using the electronic media, the opening up of the economy and all kinds of nefarious and devious ways, in order to hide and disguise the real original nature of the illegal income from drugs.

**3.15 p.m.**

So that in order to deal with all these facets of the problem and all the people who get drafted into it—some willingly, some not so willingly, some coercively—one necessarily has to spread one’s net as wide as one can cast it in order to trap within that net all these different kinds of people. Mr. Speaker, I want to use extensively—*[Interruption]*

**Mr. Valley:** I am sorry, but if you will just permit—*[Interruption]*

**Dr. The Hon. M. Job:** Mr. Speaker—*[Interruption]*

**Mr. Valley:** No, I am just asking, really, if the Member would permit. If that is the intent, why do we not have the nexus between the drug-related offence and these? If one looks at clause 5, it is for a person who is not committing a drug-related offence.

**Dr. The Hon. M. Job:** Mr. Speaker, let me say again what I just said for the benefit of the Member for Diego Martin Central because sometimes I feel so much pity and sadness and am in such a state of pathos when I hear people articulating their own embarrassment. We have to understand, let me say again, when one ships drugs, or one imports drugs, one earns income. One cannot then use that income in a way which will advertise to the world that is how one earned it. That is what money laundering is all about.

I want to use quotations extensively from this *World Drug Report* produced by the United Nations International Drug Control Programme, because I think we need to make sure we carry the public along in terms of edification so that they can understand that it is not just an adventitious arrangement to link all these other beneficiaries. As the Bill says in clause 4:

“If the court determines that the offender has benefited from the commission of a specified offence that is not drug trafficking subject to subsection (2) below, it shall then—

- (a) determine in accordance with section 7 the amount to be recovered...”

The Member for Diego Martin Central has a particular problem with copyright, income tax, customs, immigration and all these things being linked with drug trafficking. Mr. Speaker, I am sure that when I am finished explaining the nature of money laundering and how it operates to drag in areas that one does not necessarily see on the surface as having to do with money laundering, you will understand that the Member for Diego Martin Central is totally out of his depth, is totally irrelevant, does not understand the nature of the problem and so therefore cannot understand the nature of the attempted remedy.

Let me quote from page 136 of this document.

“More specifically, the United Nations Drug Control Programme defines money laundering as the ‘...process by which one conceals the existence, illegal source, or illegal application of income and then disguises or converts that income to make it appear legitimate.’”

It goes on to say:

“This summarizes the 1988 United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances which defines money laundering as:”

I am going to read:

“— The conversion or transfer of property knowing that such property is derived from criminal activity or from an act of participation in such activity, for the purpose of concealing or disguising the illicit origin of the property or of assisting any person who is involved in the commission of such activity to evade the legal consequences of his action;”

Mr. Speaker, clearly they are talking here of people who are removed from the immediate crime of drug trafficking. These are all the systems of layering, placement, obfuscation, hiding and transferring—all these people knew the original source of the money but they want to profit from the commission of the crime—it goes on to say:

- “— The concealment or disguise of the true nature, source, location, disposition, movement rights with respect to, or ownership of property, knowing that such property is derived from criminal activity or from an act of participation in such activity;
- The acquisition, possession or use of property, knowing at the time of receipt, that such property was derived from criminal activity or from an act of participation in such activity;
- Participation in, association to commit, attempts to commit and aiding, abetting, facilitating and counselling the commission of any of the actions mentioned in the foregoing paragraphs.

Money laundering is not linked exclusively to the illicit drug industry, rather it is a necessary step in almost any criminal venture that yields profits. Views vary regarding which activities account for the highest proportion of money laundered in global terms—”

Mr. Speaker, I think what I have just quoted there—and I am not finished quoting from this document yet but, just for further explication, the Member for Diego Martin Central, as I said, is clearly out of his depth—[*Interruption*]

**Mr. Valley:** I will admit that I know nothing about drugs.

**Dr. The Hon. M. Job:**—because he is demanding that if we remove from this Bill all reference to specified offences that are not drug trafficking, we will make this Bill such a good Bill that the PNM will support it. Obviously the PNM does not want to do anything about drug trafficking. Obviously, Mr. Speaker, these people are so either intellectually bankrupt, wicked or necessarily a part of the drug trade that they want to ensure that after the drug traffickers make their money one will never be able to do anything about it. Obviously that must be the intention because any sensible person on the planet earth understands that drug trafficking is not only about the people who initially commit the offences but the whole skein, the whole nexus of all those people who are involved in this matter.

I want to quote from another part of the document to ensure that the record—and I am going to have this thing published so that people know what I am talking about because Members have a way in this Parliament, as indeed the Member for Diego Martin West did the last time I was here—I, on sundry occasions, said that it is not the case that the only people who commit crimes in Trinidad and Tobago are of African descent. I said it once, I said it twice, I said it three times; I said it in many different ways. He gets up immediately after me and advertises to the world that Morgan Job says, “Only black people committing crimes in Trinidad”. I never said that. I could have never meant that.

I was sure to call Boysie Singh’s name. I called Samuel Jacob’s name. I talked about the ghettos in Bombay. Who live in Bombay, Mr. Speaker? There are people in Bombay looking like me but the majority of them look like this Member and that Member; you understand? So if I talk about ghettos in Bombay, I cannot be talking about people like the Member for Diego Martin Central. Yet these evil people get up immediately after me and tell the world that I said, “Only black people committing crime”. Mr. Speaker, that kind of wickedness will not be allowed today to sully—will not be allowed to be part of this election campaign. As long as I am alive I am going to deal with all of them. I alone will deal with all of them.



I am quoting here from page 138.

“Selected techniques of money laundering

Money laundering is one of the most pervasive criminal activities, not least because it can operate through almost any type of financial transaction, both inside and outside the banking system. Within the three principal phases of laundering a number of specific techniques have been used to circumvent anti-money laundering legislation:”

I am dealing with the issue that the Member for Diego Martin Central does not understand at all, and comes in this Parliament to advertise his ignorance, his intellectual decrepitude—to understand his obsolescence, to understand why he should never be in a Cabinet in this country again. He comes in here and talks this foolishness about taking out matters that are not drug trafficking cases and then we will have a Bill. When we take it out, Mr. Speaker, we will have nothing. We would not even have toilet paper.

I am going to continue. It says:

“Within the three principal phases of laundering a number of specific techniques have been used to circumvent anti-money laundering legislation:”

I am going to read them in detail:

(a) ‘Smurfing’

The hon. Member does not know anything. He has never heard the word.

“Countries that have adopted money laundering legislation often set reporting requirements for large-scale cash transactions, with the ceiling normally between US \$10,000—\$20,000. This is true for most countries which are members of the Financial Action Task Force. In some countries, in addition to, or instead of having to complete a report on every cash transaction that exceeds a certain amount, bank or financial service employees must complete a ‘Suspicious Transaction Report’ when the nature of the transaction does not correspond to what is known about the customer’s personal or business circumstances. ‘Smurfing’, which also goes by the more formal name of ‘structuring’, is a technique used for the placement of illicit revenues in countries where cash transaction reports (CTRs) are mandatory. Smurfing consists of breaking down a large volume of cash in amounts less than the threshold of the particular country’s reporting requirements, thereby avoiding the requirement to justify the transaction.”

*Proceeds of Crime Bill*  
[DR. THE HON. M. JOB]

*Friday, August 18, 2000*

So if a law is passed saying that for transactions of \$5,000 a suspicious transaction report must be prepared, well all the launderers have to do is to put in \$2000 at a time, and they have people to do that.

“Structuring arises from the trafficker’s need to launder large amounts of cash. In general the trafficker will organize a number of individuals, or ‘smurfs’, each of whom is responsible for a quantity of cash. After making a deposit, the smurf will purchase monetary instruments at other banks in the same area. Generally the cash is exchanged for bearer cheques or international money orders, which are then deposited into the trafficker’s account by an intermediary of the same organization. Smurfing is labour-intensive, expensive and time-consuming, but it is still used by money launderers because it enables the disbursement of large amounts of bulk cash. In some areas of the world, smurfs form an integral part of the drug trafficking chain.”

Listen to that, because the Member for Diego Martin Central obviously does not understand these things.

“In some areas of the world smurfs form an integral part of the drug trafficking chain.”

The smurf is not the drug trafficker, he is the launderer. He did not import any drug from Colombia, he did not import any drug from Bolivia or indeed anywhere else, but he is an integral part of the drug trafficking chain.

“In most cases they need know nothing beyond the amount of cash they are required to convert and their fee...”

Let me read that again.

“In most cases they need know nothing beyond the amount of cash they are required to convert and their fee, and this makes them especially attractive to the trafficking organizations.”

Mr. Speaker, I go on:

“(b) The use of front and shell companies

The use of cash-intensive businesses in money laundering is extremely prevalent. Examples of cash-intensive businesses include restaurants, hotels, casinos, bars, nightclubs, dry cleaners, retail outlets, video rental companies, vending machine companies, parking lots and construction companies:”

All of which we have in Trinidad. We have all these things in this country, you understand.

“Money launderers use these as front companies which actually carry on business where illegal profits can be co-mingled with revenues derived from legitimate undertakings.”

I did not see them mention here supermarket associations, but in Trinidad everybody knows that it is a popular thing. People are saying this supermarket could sell at a lower price because they are money laundering. People all over are saying these kinds of things.

**Mr. Imbert:** What about hardware?

**Dr. The Hon. M. Job:** Hardware too.

“Front companies are almost always a component of medium-to-large-scale money laundering operations...”

Let me say that again, Mr. Speaker.

“Front companies are almost always a component of medium-to-large-scale money laundering operations, and are used in both the placement and layering stages of the laundering process.”

### **3.30 p.m.**

Money launderers also use shell corporations which are businesses which have no commercial purpose. Many people are businessmen. We cannot discern what business they are in, but they are businessmen. They are part of the money laundering chain. According to Member for Diego Martin Central, they should remain beyond the pale of this legislation. How are we going to deal with money laundering when almost all the money laundering is done by people who are not necessarily drug traffickers?

Mr. Speaker, it is amazing that that abundance of egregious ignorance should be displayed in this Parliament from people who claim they want to be in Cabinet again! What kind of leadership are they going to provide to people? What kind of vision are they going to provide to people?

I go on, Mr. Speaker:

“Money launderers also use *shell corporations*

—businesses which have no commercial purpose. They are incorporated (normally in offshore centres which ensure anonymity) to conceal the true ownership of accounts and assets owned by the criminal organization.

(c) *Accounting techniques*

Over- or under-invoicing is an important money laundering technique...”

They did not say that anybody who is over-invoicing or under-invoicing is trafficking in drugs, but they are in money laundering. These are the ways. These are the people. This is the kind of infrastructure of which the Member for Diego Martin Central obviously is obliviously unaware. He does not understand what he is talking about.

I continue:

“which is often used in the context of front companies. It is also instrumental during the placement stage of money laundering, when import/export transactions are common. A company may purchase merchandise from a foreign company at an artificially high price. The difference between the invoice price (the artificially high price) and the real price of the goods or services is deposited in a special offshore account. This technique is not exclusively a money laundering technique and is used by those who wish to evade taxes and duties. It can also be termed ‘overstatement of reported revenues’.

(d) *Private investment techniques*

Depositing funds in an offshore account or funneling them through a front or shell company will generally be a temporary measure, until such time as the criminal wishes to repatriate the funds. Repatriation can be done using a ‘loan back’ method, whereby a drug trafficker with illicit funds in a foreign account decides to make an investment, which he secures with a down payment of legitimate funds. To pay the balance, he takes out two loans, one, legitimate, and the second from the foreign bank holding his illicit funds (probably offshore). He then repays the loans plus interest as if they were both legitimate. In some cases these repayments may be tax deductible.”

All of that! We have not talked about that. All these methods we are dealing with here, no way in which there is a criminal who has committed the importation or export of drugs. He thinks that he will have a usable, serviceable piece of legislation to deal with money laundering.

Mr. Speaker, in the next couple of months we will hear an abundance, a flood of stupidity from those people that you will never believe possible, and as long as I am here, I will not allow it! I have no intention to allow it. This racist “dotishness” that goes on in this country. He gets up and says that “Panday is importing 5,000 Guyanese to come and vote in Trinidad and Tobago.”

**Mr. Imbert:** It is 10,000!

**Dr. The Hon. M. Job:** The Elections and Boundaries Commission published a report, and from where they got the 5,000 or 10,000—there are not 12,000 Guyanese *[Interruption]* Yes, because I am talking about credible information and the use of racism in debates. There are 12,285 Vincentians, 8,777 Grenadians and some 2,000 Bajans and other people. When we add it up, we have more than 24,000 people who are likely to look like Morgan Job, the Member for Diego Martin Central, and nothing like Basdeo Panday or Ramesh Lawrence Maharaj. *[Interruption]* *[Mr. K. Valley on his feet]*

No! I am not giving way! In the meantime, the public is drawn into a dismal strife, a racist stupidity is enforced in the minds of children that the election is about importing Guyanese. What about all the Vincentians who were imported in the time past and still are being imported? They are there! He did not talk about that. That is the problem we have to deal with. We have to deal with the matters of fact. Sit down! Sit down! *[Laughter]*

Let us deal with matters of fact! The same thing. I heard him—have the note here—that we must not pass the legislation. We must not involve all these front companies, we must not involve the immigration department and customs. We must not involve all of them, and we are dealing with drug trafficking. What they want us to do is talk about the children.

When I was talking about the children here, the Member for Diego Martin West got up and told people that I said—one hour and a half on my feet talking about the link between education and crime, all he can tell the world is that Job said only black people are committing crime.

The Member comes here this evening to talk about crime. Two “fellas” got killed yesterday somewhere in Point Lisas. Who are they? Where did they come from? Bayshore? When I spoke, what did I say? Three young men hijacked a teacher in his car, took out his crank iron, beat him on his head and threw him over a precipice in Morvant. What is the probability that these three young men came from Bayshore? Is that a statement to say that only black people are committing crime? In the same breath in the same paragraph, my statement is right here—it is in the *Hansard* record—I was careful to say, Mr. Speaker, “it is not the case that there are no criminal young men in Bayshore.” I said that. Wicked! They want to use race! That is all they can talk about. They have no imagination! No plan!

*Proceeds of Crime Bill*  
[DR. THE HON. M. JOB]

*Friday, August 18, 2000*

Economist, Terrence Farrell, August 18, 2000 on page 4 of the *Express*, goes on to castigate Trinidad as being an underachiever. He wrote about how all the economists and politicians in Trinidad over the years have been so intellectually bankrupt. *[Laughter]* Could he be talking about Basdeo Panday and Ramesh Lawrence Maharaj? He cannot be! These are his words. Trinidad and Tobago is PNM country. For 36 years they are here imposing a set of intellectual bankruptcies on the people. The effects of that “dotishness” is what we are having to suffer now. This is what Terrence Farrell is talking about.

I need to put something in the *Hansard* record. Mr. Farrell laid blame on politicians for turning to Washington D.C. for advice on economic policy. He goes on to say:

“The fall from grace of the local economic gurus is partly their own fault. Trinidad and Tobago is an underachiever. Trinidad's politics has paid little or no mind to global or regional issues.”

**Mr. Hart:** Talk about money laundering!

**Dr. The Hon. M. Job:** Do not provoke me, please. I have been very kind to you and I want to continue to do so. Just keep quiet. If you are in stage 3, stay there. Do not come up to Form One. *[Laughter]*

He goes on. He apparently had not been hearing over the years, because he is making the same point. Mr. Speaker, let us get back to the Bill and the question of money laundering.

The question we are dealing with here, that I am to deal with in a not so subtle way is to make the case and to explain to the national audience that the Member for Diego Martin Central has exposed himself in a way that I feel very sorry for him. They are talking about these ways on how they can use the banking system. I was on the point where in some cases these repayments may be tax deductible. The income from the initial investment is sufficiently documented to appear entirely—*[Interruption]*

He wants to drown out what I am saying, but I am going to make sure he is not going to quiet me. If I have to walk with these things and my *Hansard* report and go from street corner to street corner, I will make sure the people understand how stupid they are! I will continue:

“The income from the initial investment is sufficiently documented to appear entirely legitimate, and the trafficker is free to use it in any way he chooses. As he repays the loan of his initial illicit funds, they are again available for him to ‘borrow’ and the cycle can be repeated.

*(e) Use of non-bank financial institutions.*

In some countries, currency exchange houses are not obliged to abide by the same regulations imposed on the ordinary banking system. Drug traffickers exploit such loopholes, converting cash into other currencies. Remittance houses or financial services companies are used to cash the cheques (usually made payable to the bearer) that the smurfs have acquired from the banks. Gold, gems and other precious metals are also considered highly liquid assets and can be purchased through dealers and easily converted into cash. Insurance companies have also been used as a vehicle for laundering: the launderer purchases a life insurance policy with a large cash surrender benefit. He will pay for the premium in cash and, shortly after receiving the policy, will cash it in and request that payment be made. Similar scams are carried out using travel agencies and casinos: launderers purchase expensive round-trip airline tickets and return them for a cash refund upon completion of a portion of the journey; similarly, large cash sums can be converted into casino chips which are subsequently cashed in.”

When I look at (f), investment in government or treasury bonds, even the Government is into this thing, and this joker is telling the public of Trinidad and Tobago, take out all these things and then we have a Bill. Totally intellectually bankrupt, moronic, decrepit!

*“(f) Investment in government or treasury bonds*

Trade in government or treasury bonds can be used as a money laundering technique in itself or as part of a larger scheme. These bonds are debentures issued by the government for a particular (usually fixed) rate of interest for varying periods of time. They are bearer bonds, that is they are a transferable instrument payable to the bearer, therefore can be bought, sold or exchanged anonymously.

*(g) Opportunistic lending/acquisition of companies on the verge of bankruptcy*

The acquisition of companies in crisis is a technique of money laundering which occurs in periods when lending is tight, for example after a sharp rise in interest rates. When banks place tight restrictions on lending, business owners in difficulties may turn to less tightly regulated sources of credit, such as loan sharks. In such situations, the money launderer functions merely as money lender (at higher than bank interest rates) or may buy partial or total management control of the ailing business. In the latter case, the launderer will draw continuing benefit from the cover of a ‘clean’ front company.

(h) *Exploitation of underground banking systems*

The term ‘underground banking’ refers to systems of deposit and credit which provide for non-guaranteed international transfers carried out parallel to, but outside the formal banking sector. They are normally not illegal in the countries in which they are traditionally located (the Asian subcontinent in particular, but also China and Latin America). They are favoured by launderers because they operate informally on the basis of trust and confidentiality, they are cash based and leave no paper trail and often fall out with the regulatory scope of the banking system.”

All these people, the number of kinds of operations and levels of skill we have involved in this money laundering matter, it confuses the mind. I want this in the record also, so I am going to read it out, because people have to understand that politics and running a government is not about racist propaganda alone. Even if one can exploit the ethnic factors that are locally inherent and endemic in the system for one’s own political benefit.

I think politics, they say, is like war. Winner takes all, losers get nothing. They use everything they can use, but to the extent that I feel I have to stand up against that, I am going to deal with what the matters or fact are. We are talking about crime and money laundering, let us deal with that. Let us not deal with stupidity. I am talking about education and the link to crime. Do not go and tell people a set of rubbish that Job does not like black people and all these things about black people committing crime.

That is to make sure that these ignorant people they have created, these innumerate people they have created, these intellectually moronic people they have deliberately created, they would not understand anything about logic, just as I said. They hear the Member for Diego Martin West say something, that is on the media, all over the front pages that that is what Job said. Job never said anything like that! In fact, Job said the antithesis of that, but that is their kind of politics. For the next four months—they started it and they will get a war they will never believe they could deal with!*[Laughter]*

**3.45 p.m.**

Mr. Speaker, the reason I want this on the record is that the assertion, the substantive proposition of the Member for Diego Martin Central is that the only people this Bill must be concerned with are people who are drug traffickers. Am I right? That is what he is saying. He is asserting that this Bill should only be about drug traffickers, and if we make it that way, he and the PNM would support it.



I am asserting and I am giving the public—those in the gallery, those who you hear on the radio—I am going to make sure I get the *Hansard* on the report of my speech today, copy it and go from street corner to street corner throughout the East/West Corridor to explain to people the kind of people who want to lead them. I want this in the record because I want them to understand the kinds of people who are in the structure of a drug trafficking and money laundering organization, and most of them have nothing to do, at all, with drug trafficking.

Mr. Speaker, we are looking at the structure of an organization, so the chief executive officer is like—what is the name of that guy who was killed in Colombia; the guy from the Medellín cartel? [*Interruption*] Escobar, thank you. So Escobar would fit this, or one of the Oreja brothers, or in the Trinidad and Tobago case, the late Dole Chadee. So Dole Chadee or Oreja is the CEO. Under him you have a set of senior vice presidents who are the chief lieutenants, in our local case maybe it might be Ramiah, I do not know who else is there.

Under these you have the head of procurement, the head of transportation, head of distribution, head of production, head of finance and head of government relations. What the head of government relations would probably do—just like the head of military operations—is have their office interested in penetrating government: they would buy politicians, infiltrate the police and customs. That is their job. Their job is to infiltrate the Judiciary. I have a document here—I hope time allows—*United States Agency for International Development*, and it deals with information concerning the cost of corruption index, which aims to reduce capital risk; it talks about policy to curb corruption in the Judiciary; all over the world, big issue.

I mentioned here where a survey was done in Argentina, and only 17 per cent of the people there, when the survey was done, felt convinced that they trusted the Judiciary; meaning that 83 per cent of the people thought that the Judiciary was corrupt. So you have the head of government relations and the head of military operations, they are the persons within the structure charged with the duty to infiltrate judges, magistrates, lawyers and all the people that will get civil society on their side.

Underneath these people you have people like transportation companies, drivers, cell managers, bookkeepers, money handlers, stash house sitters, motor pool supervisors, cell managers in Europe, Asia or wherever the businesses go on. Underneath the production and construction you have laboratory managers, chemists, chemical and industrial engineers, workers, security guards, radio operators. Under the financiers, the head of finance, you have all the money launderers, insurance coordinators, financial planners and managers of legal business. Notice that, Mr. Speaker, managers of legal business; accountants, record keepers, bookkeepers.

Underneath the head of government relations, as I said before, you have lawyers; you have what they call in Spanish *testafeles*, meaning front men, liaison officers to maintain contact with all the public officials. Under military operations you have *sicarios*, who are the assassins like Ramiah and the enforcers. You have the intelligence chiefs and those who are going to analyze information, and then you have some other butchers, who you call *parameto*.

This is a structure, and all these people there are involved in criminal activity. In terms of the representation from the Member for Diego Martin Central, you should not do anything; pass no law that would capture these people. He does not understand what he is talking about. Let me just go a little bit, because I do not have all afternoon here.

I was in the Bahamas recently, and while I was there, Mr. Ingram—who I think is the Prime Minister there now—was not at the meeting. He should have been there, but he was not because he was off to the United States and Europe, I think, to deal with this question of money laundering. This is the front page of the *Nassau Guardian* of Wednesday August 2, 2000, so I am quoting from that.

"Financial services sector abuses cited"

Smith is an ambassador in the Bahamas government, and he said:

"The Bahamas must painfully admit that abuses have taken place in its financial services industry. Ambassador for Trade and Investment James Smith said Tuesday, "While the country can argue that its financial services sector was never designed to deliberately direct the tax proceeds from other countries, Smith said it must also admit to certain deficiencies in its legislative and regulatory framework."

They are quoting him here to say:

"'We must move quickly to make the necessary corrections,' Smith warned as he addressed the Commonwealth Parliamentary Association...at the Radisson Cable Beach Resort. During the morning session the Bahamas and the Cayman Islands two major offshore financial centres addressed the topic 'Should the Organization for Economic Cooperation and Development dictate to countries with offshore banking the nature of their financial services under penalty of sanctions'."

I have the paper that they delivered, and both of them admitted that their countries had, in fact, facilitated money laundering, and the reason Ingram went off his own. In fact, I have an editorial, which I do not want to take the time to read, I would just explain.

In my submission at the conference I did say that, perhaps, all the Caribbean territories should get together and have a united front and make the matter an international issue. I did also say that Trinidad and Tobago, notwithstanding the fact that we have not been blacklisted, have an interest in the issue, because in Barbados, Antigua and other Caricom territories we have a large export market there. So if their economies went "belly up" it would affect us, and that is the reason why, on behalf of Trinidad and Tobago, I was moving to say that we should all join together to make an international intervention.

The Bahamas people did not agree, and the editorial criticizing me said that "the people in the south have oil and gas and they really do not need offshore banks"—it was said in the editorial—"so they could say what they want; we have to see about ourselves." So they went off on their own and saw about themselves.

The question I am raising, Mr. Speaker, and why I am spending so long on it, is that I want to leave no doubt in anybody's mind that the Member for Diego Martin Central is totally irrelevant, otiose and has no right to be in the business of this debate. Let us leave that for the time being. He goes on to say that Sen. Prof. Ramchand spoke or put his foot in his mouth by admitting that he smoked marijuana. But I have been reliably informed that the Member for Laventille East/Morvant has also admitted in this House that he smoked marijuana. Hinds—sorry, Mr. Speaker, I apologize for that—the Member for Laventille East/Morvant has admitted that he smoked marijuana, and he has not complained about that.

I want to say that I join with the Member for Diego Martin Central to distance myself from this claim that because some professor or lawyer smoked marijuana, you should advertise it to children that they should smoke marijuana. I want to agree with the Member for Diego Martin Central that that is the position I think a responsible person should take, because we know from the evidence that these subcultures that start with marijuana, many of them move the young people on to other drugs.

It is not a case that you have a set of people who are in some local cult or religion or in some fad and that they necessarily usually smoke marijuana. If that was the case and that was the only risk, perhaps, I would agree with them, but I do not know from the evidence I have available that that is the case, so I have to agree with the Member for Diego Martin Central. I endorse his position and I would help him to advertise it. I think that people in responsible positions should be much more sensitive to the 'at risk' young people in this country, who because of the subculture that they are immersed in, are much more vulnerable to be wafted or drifted along with the crowd, the tide and with the mob, and end up in grievous harm. So I agree with him on that.

I do not understand what the Member was alluding to when he said that Nariva depended on marijuana, so that the Member for Nariva should have an interest in having some parliamentary committee look at this thing. I thought they voted against parliamentary committees. Did they vote against parliamentary committees?

**Hon. Members:** Yes.

**Dr. The Hon. M. Job:** So how could he come and ask for parliamentary committees now? Is it a slip of the tongue? [*Laughter*]

**Mr. Valley:** Check the *Hansard*.

**Dr. The Hon. M. Job:** Anyhow, whatever it is, I do not know—again, if marijuana is a problem in Nariva, what is the problem in some parts of the corridor? Is it crack? Is it heroin? You know, so the fact that marijuana is grown in Nariva is no substantial reason to associate the Member for Nariva with a particular drug problem, because all over this country, like you yourself admitted, we have a problem with drugs and the youth. It might be of a different nature, so what is the problem?

In fact, Mr. Speaker, there is a very interesting thing that I think I should explicate at this point.

**Mr. Valley:** Oh Lord!

[MR. DEPUTY SPEAKER *in the Chair*]

**Dr. The Hon. M. Job:** You do not want edification; it reminds me that old people always say that you can take an ass to water but you cannot make it drink.

**Mr. Imbert:** Do not compliment yourself. [*Laughter*]

**Dr. The Hon. M. Job:** Mr. Deputy Speaker, I want to put in the record again, because I think it is essential that young people understand—[*Interruption*]

**Mr. Hart:** Ten hours to reach Tobago!

**Dr. The Hon. M. Job:** —that this question of drugs and money laundering is not trivial issue. You are dealing in the modern world where people have Internet; they have computers; they travel and see things; you have a kind of homogenizing, a kind of convergence of cultures all over the world. Even while this is going on, you have specialization.

**Mr. Deputy Speaker:** The speaking time of the Member has expired.

*Motion made,* That the hon. Member's speaking time be extended by 30 minutes. [*Hon. G. Singh*]

*Question put and agreed to.*

**Dr. The Hon. M. Job:** Thanks to all the Members. I thought that the Member for Diego Martin Central would be a little gracious and give me some extension. *[Interruption]* *[Laughter]* No, I cannot, I have a reason.

I am sure that all of them know that I could stand here and talk for the next five hours without any book; they know that. But I have a reason why I want this in the record, because I want to leave no doubt in the public's mind that this man is ignorant, irrelevant, redundant and beyond redemption. *[Interruption]*

**Mr. Valley:** Mr. Deputy Speaker, I admit that I am ignorant about drugs and drug-related activity; I admit.

**Dr. The Hon. M. Job:** I want to leave absolutely no doubt that anybody who would come into this Parliament and say that in this Bill, if you take out all the—I want it in the record—clause 4 is the one he quoted, and let me quote it again just to focus the mind:

"If the court determines that the offender has benefitted from the commission of a specified offence that is not drug trafficking..."

He wants any reference to offences that are "not drug trafficking" to be taken out of this Bill. I want the public and everybody to understand that that is the reason you have this Bill, because you have to get the people who are in drug trafficking, that are not, in fact, the first phase of the criminal endeavour. You want a bill that will trap all the people in all the different layers and all the different kinds, all the different orifices of the problem of drug trafficking; that is what you want the Bill for. If we do what the Member for Diego Martin Central wants us to do, Mr. Deputy Speaker, we will have no Bill.

The reason I am reading at length is because I want to go to Trou Macaque, Morvant, Water Hole and all about with the evidence to demonstrate to people the intellectual bankruptcy and the lack of vision and understanding of their leadership; that is what I want to do.

#### **4.00 p.m.**

Mr. Deputy Speaker, the matter of drug trafficking and organized crime is a pandemic one, but there are things the people in the PNM do not want to understand and that is the reason the Member for Diego Martin West got here the last time I spoke to advertise a lie to the world. Where I was trying to point him to a fundamental fact of societal organization that is essential for managing the society not only in terms of crime, but in terms of the welfare of the very people whom they have punished.

I have a document, *Trinidad and Tobago Youth and Social Development* and in it, there is unambiguous evidence that people who come from dominant PNM areas are those who have been put in the greatest jeopardy by the PNM abandonment of a quality and effective education system. I did not write this document, it was produced by the World Bank and I want to quote from page 12, where it talks about inequities and it says:

“34. Inequities appear in the educational setting starting with early childhood care and development services. Only 21% of children in the lowest per capita consumption quintile attend childhood care and education centers, compared to 51% in the highest quintile (World Bank 1995a). This is partly a result of the overwhelming proportion of services provided in the private marketplace...”

After saying that the upper class are getting early childhood care that the bulk of people in the PNM areas are not getting, it goes on to say:

“...lack of awareness among parents of the value of early stimulation programs; the practice of parents at home to keep their young children with them; and, the lack of a facilitative link between the early childhood center and a high quality primary school (Jules 1998).”

All these are what explains educational failure, but the PNM does not want people to understand what I have been trying to tell them. That you cannot save people in the PNM areas merely by talking race and telling them Morgan Job does not like them. You have to go there and do those things that are going to liberate and emancipate them from the weaknesses into which they are born.

It goes on to say:

“35. Inequity in primary and secondary school is evident both in the scores resulting from the Common Entrance Examination (CEE) and in the practice of ‘tracking’ which places students with poor scores in schools of lesser quality.”

I do not necessarily agree with that statement, but I am saying it so that the people would understand where the document is headed.

“Considerable variation is evident in student performance on the exam, based on a number of variables including the management authority of the primary school, education district, county of residence, and student sex, socioeconomic status and self-declared race group.”

It is telling you that when one looks at the outcome in the schools of Trinidad and Tobago, one sees the ethnic group, or what is called race here, is one of the explanations for success and failure.

It goes on:

“Most importantly, children from high socioeconomic status households scored significantly better than those from low socioeconomic households, especially ones in which nobody was employed...” [*Cross talk*] You would not understand, you did not do mathematics—

**Mr. Deputy Speaker:** Member for St. Ann’s East, you may join the debate as soon as the Member for Tobago East is finished.

**Mr. Joseph:** Thank you, Mr. Deputy Speaker.

**Dr. The Hon. M. Job:** Mr. Speaker, these people are so morally and intellectually decrepit.

“Students of self-declared African origin have been significantly more likely to score lower (59) than those of mixed or Indian origin (64 in both groups). The latter, in turn, have normally performed more poorly than Syrian/Lebanese, Caucasian and Chinese students (all above 72).”

Mr. Deputy Speaker, they do not want to deal with this, because they want to talk a lot of foolishness to mobilize ethnic anxiety and hatred. In this Parliament, nobody on that side has done over the years as much as I have done to lead the mind to what the problems are and what must be done about them. That is why these people are suffering, that is why two of them died yesterday. It is all here, pages and pages of it. They are not doing anything about it, but the Member talks about what he is going to do about children. He wants to deal with children to keep them away from crime. Let us deal with what this is saying. It is saying that the children who are of African descent and who are most likely to be the ones voting for the Member for Diego Martin Central are at a tremendous disadvantage; and he has no intention to deal with it. He wants to leave it so, so he could keep them battened down in their tombs of dependence and ignorance so that they cannot think about anything logically. All they could think about on election day is: “This is we side, and that is them side.” That is all. No issue involved.

Mr. Deputy Speaker, forget what he is talking about children and trying to emancipate the youths from crime and drugs. He does not mean anything, he is not sincere because if he were, I would not be saying the things that I am saying this afternoon. We would have solved the problem long ago, because I was talking about it 15—30 years ago and for doing that, they almost killed me.

Mr. Deputy Speaker, we need to be aware that international drug trafficking, international crime and international money laundering are not something you should take lightly and forget this idea that the people who are importing drugs and committing that initial crime are the people with whom you really need to deal.

There is a Table 4 on Major organized crime groups. The headings are Major Activities, Size, and the International Connections and it talks about the Cocaine Cartels, the Triads, Yakuza, Cosa Nostra, La Cosa Nostra (New York) and Mafia groups. I would read out the Table so that you would get it in the record so people would understand what you have to deal with.

“Triads        The activities of the Triads are extremely diversified. They cover drugs, money lending, gambling, racketeering, service sector investment, money laundering and running of clandestine immigration systems.”

All that we have to deal with and these are the major activities. When one comes to the size, they are from Japan; they are Chinese.

“The Triads employ upwards of 170,000 persons in a fairly traditional pyramid structure headed by a Boss, Underboss, and Recruiting boss. The majority of the organization is made up of ‘soldiers’. Known Triads are: ‘Sun Yee On’, Hong Kong; ‘14K’, Hong Kong; ‘Wo Federation’, Hong Kong; ‘United Bamboo’ Taiwan, Province of China; ‘Four-Seas Band’ Taiwan, and ‘Great Circle’, China.”

These are the kinds of things one has to deal with. We have a lot of Chinese here, there are people of Chinese origin here and we have them coming in. I do not know if we have the demand for the ethnic specificity of international criminal endeavour, so that we had better deal with it. We have people going to and from Canada so I do not know. It is very likely we have the Triads operating here and we do not know.

“The Triads are pervasive and are known to be active throughout Asia, Europe and the USA, although their main activities center around Hong Kong, Myanmar, Taiwan Province of China, the Philippines and the USA.”

The Yakuza’s major activities are:

“The Yakuza are involved in all types of crime in Japan including racketeering, business fraud, drugs, prostitution and pornography. Within the Asian drugs scene they are very active in trafficking methamphetamine.”



In terms of their size.

“There are approximately 60,000 full time Yakuza and 25,000 associates. The organizational structure is extremely complex and involves thousands of small gangs, and many families.”

International Connections:

“Yakuza are known to have links to organized crime in the USA, Colombia, Germany, China and the CIS.”

CIS is the Community of the Independent States. I think that is what it means.

The Cosa Nostra:

“Perhaps the best known organized crime group, Cosa Nostra has become mainly involved in international drug trafficking, serving as a clearing house for international agreements and drug routes. It also services the financial and laundering needs of many smaller crime groups. Other activities include extortion, loan sharking and skimming public works contracts.”

The Size:

“A vertical organization of roughly 5,000 members in regional and provisional commissions.”

International Connections:

“Based in the Italian island of Sicily, Cosa Nostra has established networks of affiliates in every continent. It has ties with all of the major drug trafficking organizations including the cartels, La Cosa Nostra, and Mafia groups headquartered in the former Soviet Union.”

Cocaine cartels are next door to us, seven miles from Cedros to Venezuela and we all know the Caribbean has become one of the major conduits of drugs going both to North America and to Europe and the larger parts of the Caribbean, so we have to be concerned about these organizations that are involved in money laundering, drug trafficking and gun running and all these other illegal activities including human slavery and trafficking people.

Cocaine Cartels:

“Headquartered mainly in Colombia and Mexico, the cocaine cartels manage the entire cycle of cocaine from production to distribution around the world.”

I might add, that they also grow a lot of opium poppy in Colombia these days.

“The cartels employ individuals in a rigid pyramid structure, with heads of various families in control of geographic areas gathered together as loose business coalitions. Their objective is to maximize profit.”

Their International Connections are:

“Cosa Nostra

La Cosa Nostra

Triads

Yakuza”

Mr. Deputy Speaker, the reason I am putting all this into the record is because I want to demonstrate without ambiguity that the Member for Diego Martin Central’s contribution was so abysmally decrepit, without any relevance, so lacking in any substance. How could he come to this Parliament and say to expunge from this Bill all the references to all the multifaceted activities, persons and professions that are linked with money laundering and drug trafficking, and that it would be better to have a Drug Trafficking Bill. It cannot be done, Mr. Deputy Speaker.

So the question I am mindful to ask is what is the idea of the PNM on the problem of drug trafficking as I have tried to describe and the Attorney General has tried to describe? Where, if one wants to deal with drug trafficking, one has to go after the profits of drug trafficking, one has to go after the persons who earn illicit income, unearned income, illegal incomes from the drug trafficking business because they are part of the money laundering process.

Mr. Deputy Speaker, in the culture of the areas where the Member for Diego Martin Central resides, the people who they manipulate, the people who they have I will say battened down in their tombs and wombs of ignorance and decadence, those people have a kind of culture which is very much symbolized by the contribution of the Member for Diego Martin Central this afternoon and I will explain what I mean.

The Member came to the Parliament to say if we take out from this Bill all the references to activities that do not have to do with the immediate act of drug trafficking, he will support the Bill. That is a certain kind of attitude, that if you can do something and get away with it, it is okay.

One of my cousins was murdered by a young fella, two of them assaulted him—he was the Commissioner of Prisons—and they shot him. On that evening, or on the following evening, his mother was on television saying: “He didn’t go to kill anybody, he only went to look for money.”

Mr. Deputy Speaker, it was 8.00 p.m. and no banks were opened. How could she say he was going to look for money in the night with a gun in his hand? That is the culture there, and she does not represent a single opinion you know, that is a kind of subculture opinion. She also said on the television that they would not give her a 10 days that is why the boy had to go to look for work. That is the kind of people they nurture to have a kind of idea that once you are doing something and you are getting money it is okay. It is like—there is a verb “to put down a wuk”. A mother would hear her son saying: “I going and put down a wuk.” And that is okay. They say nothing about it. When the police or somebody kills them they are the first to say: “St Peter don’t want anybody else like him ... the boy was so good.”

**Mr. Valley:** Who are you talking to?

**Dr. The Hon M. Job:** I am talking about you and what you symbolize. You symbolize that kind of moral blindness that allows people to believe that once they did not import cocaine, what he is doing is okay. Once he did not bring the cocaine from Colombia, he could launder it, help people launder it, sell it, he could do anything. He did not launder money. That is the kind of attitude.

**4.15 p.m.**

Let me say that again. The presentation of the Member for Diego Martin Central symbolizes a kind of subculture where moral blindness and denial are so pervasive that people can indulge and co-operate and aid and abet criminal activity and feel no qualms about it because, as far as they are concerned, they are making a living. “What you want me to do? You want me to dead?” That is what he is doing because clearly in his own mind he has declared by his presentation that once one did not import cocaine one did nothing wrong. That is what he is saying. I did not ask him. The *Hansard* record is there. He said that if we take out all reference to all these activities that do not have to do with drug trafficking he will support the Bill when, in fact, Mr. Deputy Speaker, drug trafficking is about everything that he wants to take out.

So therefore, my logical deduction is that this Member for Diego Martin Central is a symbol. He is typical of a subculture where moral blindness impels people to behave in antisocial, illegal and criminal ways, but they are able to

justify it by saying, “You did not give me a 10 days so mih son have to go and put down a wuk”. There is another boy, he worked for one of Chadee’s brothers, who is alleged to have been working for “this Boodram man”. His mother said that she saw him bring home—well, he was killed and then it was a big story in one of the weekly newspapers. I think it was the *Mirror*.

She said that she saw this boy bring home these two paper bags of money; she did not know whether it was half a million or a quarter million. He took some of the money and he fixed up his “two child mother house”. Now, this fellow is 15 or 16 years old but he has “two child mother”, maybe little girls aged 12 and 13, I do not know, but he fixed up his “two child mother house”. Then he took some of the money and fixed up her house, and with some of the money that was left over, he bought some guns to rent. That is the type of subculture of which the hon. Member is typical. He is symbolic of that subculture. Now, this lady who is saying this, she is 28 years old, her son got killed at 16, he has two little girls pregnant for him and he was buying guns to rent. He just got killed because of some kind of mix up with this drug business. That is the subculture.

We must go to the children, Mr. Deputy Speaker, and disconnect them from people like the Member for Diego Martin Central so that they understand that there is a moral and ethical universe, and it must be done very, very early. As I have been saying, surrogate parents must be sent into the primary schools. We must do mentoring. We must send people in there. The Ministry of Education has to spend more money and devise innovative ways to connect children to role models who are better than the ones the Member for Diego Martin Central is trying to give them.

Mr. Deputy Speaker, I have said that the PNM caused a Cabinet committee to be set up to investigate juvenile delinquency and youth crime in Trinidad and Tobago. When I quoted that report in this Parliament saying that one can go to the primary schools in some parts of Trinidad, more than others probabilistically, and see the little boys and little girls who one knows are going to go off the bend and fall through the cracks, they laughed at me. I have here an excerpt from the thing which says that these little boys and little girls grow up in an environment where all they see are deviants and illegal activity. How do we expect them to be socialized otherwise?

That is what Members on the other side should have been doing for the last 25 and 30 years. They did nothing about it. I am trying to not only talk about it but get something done, and you want to shout me down, you want to “bad talk” me and spread all kinds of rumours to say I said what I did not say. However, if one does not admit a problem, one does not have a problem to solve. One cannot live

in denial. One cannot come to this Parliament and talk this foolishness—and I mean they are talking foolishness—about wanting to go to the youths. We should be dealing with the young people even more to solve crime, if we want to solve the money laundering problem. [*Interruption*] Yes, but they had a chance and never did anything.

I know that my interventions have caused in Tobago—all the primary school-children in Tobago within the next two years, I am sure, will be exposed to music literacy, playing instruments, music theory and appreciation from age five right on to 10 years of age. By the next semester another 10 schools are going into the programme, making it 16 schools that will be in the programme, and I am sure soon thereafter another 10. I think there are about 30-something or 40-something primary schools in Tobago. So before long all of them are going to be in the programme. When I was there telling the PNM to do that year after year in years gone by, their response was to close down the programme and tell people in the country that I do not like them. In the meantime they have no pan, they do not know music, they have no instrument and they have no programme there.

That is the PNM, a process of misleading people and a process of exploiting ethnic anxiety—the better to ride to their mountain top of power. That is what they are about, just like Pa Pa Doc in Haiti, just like Abacha in Nigeria, just like what Stalin did and just like what Adolf Hitler did. Adolf Hitler was a very popular man, you know. He won an election—people do not know that—but Hitler won an election because he was exploiting the ethnic anxiety of Germans. He was going to Germans and telling them that all the problems in the world, Jews caused them; all the problems in the world, Slavs caused them and all the problems in the world were as a result of an international conspiracy between Englishmen and Jews. That is what Hitler said and the Germans loved it and they lapped it up. He flattered them to no end and he won their admiration and he rode to the pinnacle of his power, just like the PNM did. When he was dead millions of Germans died with him. Nobody ever flattered Germans like Adolf Hitler. No single German leader in history was ever so loved and adulated like Adolf Hitler, but when he was finished with Germany millions of them and 50 million of other innocent people were dead.

That is the PNM's programme—flattery, deception, deceit and evil. They are like that character. There is a character in Shakespeare's *Richard III*, I think that character is Richard the king, a totally morally blind character, a character who would stoop at nothing to get power. That is what they are about. In Shakespeare's *King Lear* there was also a character like Edmund. Edmund was just like that. They are very cold, very calculating, very purposeful and very wilful. They will kill their brother, kill their wife, kill their sister and strangle their own child, once their objectives are met. That is what they are about.

I am not saying that evil is not an unnecessary human thing. However, in politics and in the responsibilities we have, Mr. Speaker, I think we ought to be concerned about the way this society is going where, when we are dealing with money laundering and with crime, these people are bringing all kinds of spurious diversions. They are not dealing with the facts of the matter and they are deceiving people who do not know better because they have left them illiterate, they left them ignorant and they have left them with a subculture which is self-destructive; the better to use them. So they come here and make all these vacuous and inane pronouncements that have nothing to do with the matter we are discussing. My purpose, Mr. Deputy Speaker, is to make sure that every time I am on my feet I do the best I can to lead the mind to what the substantial matters of fact are.

Before I close, Mr. Deputy Speaker—I have five minutes—I want to—this document I have in my hand—[*Interruption*] I am doing this thing deliberately because you all provoked me. You go and say I said, “Only black people committing crime”, because I am trying to make the case that we have certain kinds of ethnic specializations in Trinidad, certain differences that we must deal with and you do not like that. You do not like truth. You are just evil people. You do not like to deal with truth and because you do not like to deal with truth you cannot understand. That is what I am about. I am about dealing with the problem. I am not here to flatter anybody.

I will not support these wild, stupid Indians who are talking about they are more Indian and they want to go back to India and all this stupidity. I am not in that. I am here to deal with Trinidad and Tobago and its problems. I think one of the greatest embarrassments to this Government is this set of Hindu journalists who are writing a set of stupidity in the newspapers. I honestly believe that; and people who do not know better feel that these journalists articulate this Government’s policy. I do not want to call their names but you know what I am talking about. Having said that, Mr. Deputy Speaker, when I was dealing with the question of crime and when I am dealing with the question of money laundering now, it is essential to understand that those people on the other side have put this country in great jeopardy because of the recruitment policy in the police service.

I am quoting from a document here that I did not write. Mr. Manning and his government gave Selwyn Ryan a whole lot of money to write this thing called *Ethnicity and Employment Practices in Trinidad and Tobago* and it is produced by the Centre for Ethnic Studies at the University of the West Indies, St. Augustine. I am quoting from page 161:

“Apparent discrepancies between policy and fact are readily observable on looking at recruitment figures. It appears that the ascriptive factor is sometimes dominant over achievement considerations in the selection of recruits to the Police Service. The ascriptive factor is race.”

He goes on to say that the records of recruitment over the past 13 years—  
[*Interruption*]

**Mr. Deputy Speaker:** You have one minute to wind up.

**Dr. The Hon. M. Job:** I will summarize. It goes on to say that clearly one cannot put it as accident why the best students that took the police exam over the time are of East Indian or Hindu origin, or whatever, and they do not get into the police force. It is in this document. So Ryan is writing it there for the government to do something about it. When I make these allusions to say that one has to live by dealing with the facts, they accuse me and lie on me.

Mr. Deputy Speaker, I think that I have substantially made my point; that the Member for Diego Martin Central did not understand what he was talking about. The things he wants taken out of the Bill will make the Bill less useful than the toilet paper you have in your bathroom. So that we must necessarily abandon any thought, any idea of following his idea because the Bill, as it is, might not even meet my criteria. There are some things that I do not have time to talk about, that we should have put in the Bill that we did not put in there. I am happy to have had the opportunity to put into the record what the matters of fact are concerning money laundering, about which these ‘fellas’ have no clue or understanding. Thank you, Mr. Deputy Speaker.

**Mr. Colm Imbert** (*Diego Martin East*): Mr. Deputy Speaker, the Member for Tobago East has spent 75 minutes accusing the Member for Diego Martin Central of misunderstanding or being unaware of the provisions of this legislation. However, he has demonstrated through his rambling and foolish presentation that he has not read a single clause in this Bill. You see, what this Bill seeks to do, which the Member for Tobago East has either deliberately or unwittingly avoided, is to consolidate certain provisions that already exist for dealing with the proceeds of drug trafficking and so forth with offences committed under other legislation.

It has nothing to do with yakuza, tong, triads, Mafia, Cosa Nostra and “all dem kina ting”—absolutely nothing. Even the Explanatory Note would tell him, Mr. Deputy Speaker, that this Bill is widening the areas where draconian measures can be taken. It deals with the powers of search and arrest, seizure and confiscation that currently apply to drug trafficking, people who benefit from the proceeds of drug trafficking and money laundering; all of these things that presently apply. It is widening those provisions to include offences under some quite straightforward legislation such as the Income Tax Act, corporation tax, value-added legislation, customs and copyright legislation.

It has nothing to do with drug trafficking or with money laundering. It is introducing a philosophy in Trinidad and Tobago where, if one commits an offence, however trivial that offence may be, under any of those Acts, certain sanctions can be taken against one, property can be confiscated, one's right to privacy can be violated and so forth. Really, the Attorney General has to explain exactly where he is coming from. He says that this applies in other countries. I am sorry. I would like to see the legislation from one country where, if one is in breach of the Copyright Act, for example, they can seize or confiscate property.

Show me legislation from one country where, if I go to Frederick Street and I buy a pirated cassette of some calypso or something, and thereby commit an offence, there can be confiscation orders levelled against me. There is not going to be a country in the world that has that kind of legislation. What the Attorney General loves to do is come into this House and talk about very serious crimes, drug trafficking and money laundering. He has our support, as he saw the other day where we even assisted in tightening the legislation. They have our support when it comes to drug trafficking, dealing with the proceeds of drug trafficking, money laundering and all sorts of serious criminal activity. You see, Mr. Deputy Speaker, the Attorney General has pretended that this matter deals with serious offences. It does not. It deals with all, whether they are serious or not, because a specified offence under this legislation is only an offence under one of the Acts mentioned, whether it is trivial or severe.

**Mr. Deputy Speaker:** Hon. Members, the sitting is suspended for half an hour.

**4.30 p.m.:** *Sitting suspended.*

**5.03:** *Sitting resumed.*

[MR. SPEAKER *in the Chair*]

**Mr. C. Imbert:** Mr. Speaker, I am not sure we have a quorum, but I will proceed.

**Mr. Speaker:** On the question of a quorum, it has to do with when we actually start. That was just a suspension.

**Mr. C. Imbert:** Mr. Speaker, I was saying before the break, what this legislation seeks to do—as the Member for Tobago East is blissfully ignorant of—is to include a number of offences within a regime of provisions that currently apply to drug trafficking and money laundering.



The Attorney General was very heavy on his statement that we were dealing here with serious crimes, and that the justification for bringing legislation that allows for confiscation of property and so forth, was because one was dealing with serious crimes. He kept repeating over and over that some United Nations Convention and some task force on finance legislation, and so forth, was mandating that serious crimes be included in these provisions that deal with confiscation orders.

When one actually looks at the provisions in the Bill, we see that not only are serious crimes included, but it deals with any offence under the Income Tax Act, any offence under the Corporation Tax Act, any offence under the Value Added Tax Act, any offence under the Customs Act and any offence under the Copyright Act.

In these pieces of legislation, there will be offences which could be quite properly described as serious criminal activity that require punitive sanctions and draconian measures as contained in here. Nobody will argue with that, but there are also other issues in these bits of legislation that cannot be classified as serious.

We saw something in the newspapers recently where it is alleged that a person, I think familiar to the other side, had under-invoiced a certain part on entry into the country. The true value was \$300 and there is an allegation that a letter was written to the exporter saying, put a value of \$100 to facilitate customs transactions. To me, that has got to be, if it in fact occurred, an offence under the Customs Act, but under this legislation, which describes a specified offence, if one goes to the definition section, specified offence means:

“an indictable offence or an offence specified in the Second Schedule”

The Second Schedule is simply the five bits of legislation to which I referred.

It appears that any infringement of these five bits of legislation will subject a person to several of the sanctions in this legislation. You see, the Attorney General and the Government, by his acquiescence, are simply getting carried away. It is so interesting that both the Prime Minister and the Attorney General, in their previous incarnations, were human rights advocates; all for the protection of fundamental human rights, and yet, now that they are in Government, and they are making laws, they have completely changed their image and their approach to legislation. They are railroading harsh and oppressive legislation through this Parliament.

All of the reasons that they gave when they were in opposition about the need to ensure protection of the rights of the individual, all of the lengthy speeches when they were on this side about protection of the rights of the individual, they now dismiss that as nonsense. All of the things they said!

It is very easy to get caught up in a mission, for whatever reason. I do not know what is the Attorney General's mission. There are views on why he is so heavy on pursuing all of this oppressive legislation. There are certain views that it is some sort of arrangement that he has made with international agencies that if he is very vigorous and relentless in pursuing this type of legislation, there will be some sort of *quid pro quo* of views on that. Whether that is so or not is irrelevant. The fact of the matter is that he is doing it and he is bringing all of this legislation here. What disappoints me is that intelligent, educated Members on the other side just sit there like little mice and say nothing. They know that this is wrong! They know that what is contained in this legislation is wrong.

Why are we consolidating drug trafficking and money laundering with offences under these five bits of legislation? What is the rationale? Why have we picked these five? Why not prostitution, for example? Why not gambling? It is irrational and illogical to say that one wants to widen the net to deal with criminal activity, but one picks legislation that has, on the face of it, not that much to do with criminal activity.

Why did the Attorney General not come here and say if an offence is committed under the Gambling and Betting Act or legislation that deals with prostitution and other serious crimes, that the proceeds of these illegal activities, illegal gambling and prostitution, could be confiscated? That would make sense, but he is bringing all of this innocuous legislation like the Copyright Act. As I said, it is an offence under the Copyright Act to purchase or distribute a pirated cassette of calypso. It is an offence. If one does it one will fall within the ambit of this legislation.

I have a difficulty, Mr. Speaker. We on this side have a difficulty. We could stay here whole night and argue clause by clause against this Bill. I do not intend to do that. I simply wish to state that this has not been properly thought out. There are certain questions of fundamental rights that have to be looked at, rights to property, rights to privacy, and the Attorney General is very fond of bringing legislation and saying that it does not require a special majority.

I have looked at this and I agree with my colleague from Diego Martin Central that for the avoidance of doubt, something of this nature that is leading to the confiscation of property and invasion of privacy—in other words, it is allowing people access to private information like one's private bank account and so forth—certainly for the avoidance of doubt, if we wish to pass legislation of this type, we need to have a special majority, because we are dealing with sophisticated criminals who could hire the best lawyers in Trinidad and Tobago; who can influence matters.

Certainly, if there is a possibility that this Bill could be struck down on the grounds that it is not passed with the specified majority, they are going to find a way to do it. They are going to find a way to get through this legislation by declaring it to be unconstitutional by a motion in the court, so I am recommending to the Government that we follow the advice of my colleague from Diego Martin Central. The committee he spoke about was not a parliamentary committee. He was talking about a select committee, typical. A joint select or special select committee of the House to take a look at this legislation.

The Attorney General says there has been consultation since 1997. For four years they have been consulting. Well they have not consulted us. They have not consulted the legislators, the people who make laws. All we are asking them to do is send this to a committee and, as my colleague said, once we can deal with the issues in a holistic and meaningful way, they would have our wholehearted support.

If a special majority is required to achieve the objectives of this legislation, they could get it once we can understand, appreciate and agree with exactly where they are coming from—why they put these five bits of legislation in the Bill and not others that seem to be more pernicious.

As far as I am concerned, I would think that when anybody goes into literature, the same book that the Member for Tobago East was reading, that one would see that within organized crime there are certain activities which are prevalent, and certainly gambling and prostitution are activities which are prevalent within the organized crime system in the world. Why have they left them out of this legislation? That is certainly a question I would ask. I am asking the Government to send it to a select committee, give a short time frame for the deliberation of that committee, so that we come back here with a unified approach to this legislation.

I thank you, Mr. Speaker. [*Desk thumping*]

**The Minister of Community and Social Development and the Minister of Sport (Hon. Manohar Ramsaran):** Mr. Speaker, I join this debate which seeks to provide for the consolidation of the confiscation of the proceeds of drug trafficking and to provide for the confiscation of the proceeds of other crime and the criminalizing of money laundering. As the Minister of Community and Social Development, I am very interested in Part III, clause 58(3) of this Bill which says:

“Anything placed with the Seized Assets Committee pursuant to subsection (2) shall be used for the purpose of community development, drug abuse demand reduction and rehabilitation projects and law enforcement.”

**5.15 p.m.**

Mr. Speaker, when we look at this lucrative drug trade, the whole question of money laundering and the huge amount of money that is involved, and when some of these people are allowed to go about their business without having to deal with a law to provide for the confiscation of their property, I think it is an opportune time that we could look at this legislation from the social development angle and to see how this money—of course, as far as I am concerned is illegal, immoral and any word that could describe such a trade—when it is confiscated could go towards the upliftment of our society. This same money could go towards eradicating the scourge that is drug abuse and it could also provide for treatment and rehabilitation.

When we look around and we listen to the Members opposite today talking about money laundering and trying to tell us about the difference between money laundering in the white collar crime system, drug abuse and the drug trade, we have to look very carefully at the sums of money involved, and immediately what comes to mind is the \$1 million. When we look at clause 5 it applies to a case where an offender is convicted—it was read a few times—the benefit is \$1 million or more. It states in clause 5(b):

“one million dollars or more when taken together with any benefit assessed in respect of any previous specified offence other than a drug trafficking offence in the relevant period...”

Mr. Speaker, in my opinion you are talking about invoicing of goods, as far as Customs is concerned. You are talking about illegal activities that could attract this sum of money, and not \$300 or \$100 as mentioned by the Member for Diego Martin East. This is big time business. In my opinion, the main purpose for my joining this debate was to talk about how this money could be spent in assisting our people who have been affected by these criminal activities, and also to talk about this level of persons that my colleague, the Member for Tobago East, spoke about when he talked about people who would normally finance these illegal activities. They are not in the main stream of, let us say, the drug trade, for example, but they are the ones who will be sitting back and enjoying all the benefits and financial rewards.

If you try to link them to any one of the particular offences, they are clear and clean from the actual offence. So we have to take this entire Bill in its proper perspective, as to how we deal with people who launder money and deal big time in trafficking of our assets, whether into or out of our country. As I said before, I am more particularly interested in clause 58. The Member for Diego Martin Central alluded to this scourge that is drug abuse that is taking over Trinidad and Tobago and what is happening.

Mr. Speaker, I would immediately tell you that the cost of treating with our drug addicts in this country is sometimes prohibitive, because the cost to get one person treated and rehabilitated back into society would sometimes be between \$3,000 to \$5,000 per month. When you look at the amount of drug addicts we have in this country whose lives were destroyed by these same people who would go around collecting huge sums of money from this trade destroying people, I think it is only moral and it is poetic justice that the money derived from this trade rehabilitation could be used in the rehabilitation of people who have been destroyed by the drug trade.

When Members opposite speak about this Bill, it must be taken in the entire context. We must look at the lives of the people who have been destroyed: people who walk the streets as vagrants, because of the drug trade; people whose lives are destroyed, some of them hardened drug users, we cannot bring them back. Indeed, when we look at the negative impact that drugs has on our society, we cannot put this aside. I have not heard the Member for Diego Martin East talk about that. At least, the Member alluded to the fact of what the drug trade is doing.

When we look at what is happening in this country, I think we must understand carefully—and I want to congratulate the Attorney General for coming forward with this piece of legislation so that the people who have been abused in our society will benefit.

We could go on talking about rehabilitation and the cost of it and all that, but I want to know the case that is being made out by the Opposition. What is the interest? How could they convince us that we should leave out these important clauses, as they say, in dealing with this Bill. We have to be blinded really to try to convince somebody that it is right or it is in the wrong place. What is the argument? I did not get the argument from the Members for Diego Martin Central or Diego Martin East. Why should we change these clauses? Why should we split hairs?

This is something that we must take cognizance of what is happening. It is happening in all the five or six areas in the Second Schedule. It is happening in the country; we cannot turn a blind eye to it. As the country's economy is growing and we have more and more investment, we have to protect against these frauds; whether it is customs fraud or any one of these frauds mentioned in the Second Schedule.

Mr. Speaker, I am not convinced, and I am sure that they are not convinced in their argument against clauses 4 and 5. It is all well and good, as I heard the Leader of the Opposition say recently, that they are entitled to show the other side, but when you show the other side convince somebody that what we are doing here is wrong; convince us that section 4 of clauses 4 and 5 are against the development of this country. Let us know the policy. Why are you against clauses 4 and 5? Does it have something to do with financing certain things? I do not know.

Mr. Speaker, sometimes we have to really look not only at the message, but the messengers. As I said before, I entered this debate to talk about the social projects that could come from this Bill. Let us take, for example, what is happening in Piparo. The Government took back lands that belong to them and we are in the process of establishing a model treatment and rehabilitation centre, something that you would be proud of when you visit that site.

Today I was told by the Acting Manager of NIPDEC that within one month that building would be handed over to Government. This is where we are going to house 60 drug addicts. It is poetic justice, Mr. Speaker; here we had one of the big drug “pins” of Trinidad and Tobago using lands that belonged to the Government, under the watch of the Opposition when they were in government. I cannot imagine somebody occupying 108 acres of state land and not being seen by government; I cannot understand that.

When I went to that place for the first time and saw this huge, sprawling estate occupied illegally by a drug lord, and nobody knew about it, I thought that was the most amazing thing I had ever come across in my life, but, be that as it may, under their watch nothing was done. But because of our learned Attorney General, a man who you have to admire for his guts in getting things of this nature done, we have gone into that place and we are going to have a treatment and rehabilitation centre of which all Trinidadians and Tobagonians are going to be proud. This is indirectly using the funds accrued by a drug dealer.

As I said before, the cost of dealing with drug addicts, to deal with treatment and rehabilitation is prohibitive, and I am certain that when we use that place properly we could really impact on the development of our country.

To hear people opposing a Bill like this one, they seem not to understand the consequence and what is happening to the people in this country who have been destroyed by the drug trade. Even the money laundering part of this Bill impacts negatively on the poorer people in the country, because here we would need to take badly needed resources to deal with our social problems and they are frittered

away because governments of the past did not care and did not put laws in place to deal with money leaving our country. Of course, those who would be the ones to deal with money laundering would have their bread buttered, so to speak. When you look at the whole question of social development and this Bill, there is that connection that we must not sweep under the carpet.

Mr. Speaker, going back to the Piparo Estate, I think that the government which was in office then should apologize to this nation. I have not heard an excuse or a reason. They did not tell this nation how it was that 108 acres of state land was occupied by a known drug dealer and nothing was done. When we went in there and we heard the stories of people whose lands were nearby, their lands were also taken, and when they reported it to the police or the state agencies, nothing happened. They expanded a big empire, and this was under the watch of the then Minister of Agriculture, the Member for Diego Martin West, and the entire Cabinet.

Is this the same way that they come to Parliament today objecting to clauses 4 and 5? What is the connection? I am just asking these questions, I do not have the answers. I feel that maybe they turn a blind eye to what is happening in this country; they are out to destroy this country. When the Member for Tobago East would talk—and I am sure that maybe some people will attack his style, but what he is saying time after time when he talks about the destruction of our human beings and destroying the social fabric of our country just to win an election year after year, to me it is appalling, and it is destroying our country.

When we look at the statistics from the World Bank report, it was a study done on the youths of this country, the facts speak to what has happened in this country. They took the country region by region and they found, without any prompting from anybody—as a matter of fact, that report was being done over the last two years. They came to Trinidad and went to different parts of the country, and their report showed that in the PNM-controlled 30 or more areas they had the most difficult problems. Then they tell these people, “We are for you; we love you.” Mr. Speaker, with that kind of love, no wonder why we have Romeo and Juliet; suicide.

**Mrs. Persad-Bissessar:** With that kind of love, who needs hate?

**Hon. M. Ramsaran:** I want to join with my colleague from Tobago East in saying, let the PNM be known for what they are; their love is killing and destroying their supporters. When you read in the newspapers what is happening to the unfortunate citizens in this country—

**Mr. Hart:** Who killed Sumairsingh?

**Hon. M. Ramsaran:** —and I want to say that it happens all over Trinidad and Tobago, but the facts of the World Bank report, they must read that. [*Interruption*] Do not only “steups” in Parliament, that is bad manners to start with.

Mr. Speaker, the Member for Tunapuna who cried and spilled crocodile tears across this country, but I know the truth of what happened in the Centre of Excellence, and one day we will tell the country the truth of what happened at that meeting. I would say more later.

**Hon. Member:** Were you there?

**Hon. M. Ramsaran:** Regarding the Member for Arouca North, just as an aside, a couple days ago he said that he is only seeing me shaking people’s hands and they are losing. Well, I want to tell him that any time we shake people’s hands, we are going to win; it is a golden touch. [*Desk thumping*]

**Mr. Narine:** Your cricket team came last. [*Crosstalk*]

**Hon. M. Ramsaran:** Mr. Speaker, we have to take this Bill in its totality, what is happening to the country and the benefits that would accrue to the poor people in this country.

Mr. Speaker, on Thursday we went to open a community centre in Cocoyea in San Fernando East—as we talk about community development under this Bill—and we had present the Minister of Local Government and myself. The Ministry of Local Government built the building, and I was there as Minister of Social and Community Development to receive the keys to hand it over to the community. The Member of Parliament for the area, the Leader of the Opposition, walked in a few minutes after. He came in and made some queries about what was happening and we allowed him to speak.

He told us that he was going to attack a former Member of Parliament, who is now the candidate for that area, and I thought that here was a former Prime Minister, the Leader of the Opposition, telling me that he was going to attack the poor old lady. I asked her what was her age and she said that she is 75. [*Crosstalk*] Listen, Mr. Speaker, when we talk about developing a country, this Leader of the Opposition—the point I am going to make—after being a Member of Parliament for 29 years, do you know what he spoke about? Eric Williams; he is still living with the ghost of Eric Williams.

He told me after that he was born in that village. After 29 years he did not do anything for the community, but there he was talking about Dr. Eric Williams being the “father of the nation”. I was amazed that a Member of Parliament for 29 years should have gone there and talk about Eric Williams.



Mr. Speaker, community development would be given that boost, and I am sure that everybody here cannot argue against community development and what it can do for our country. As a matter of fact, the United Nations have preached and they have asked us, as ministers of community development, to partner communities, because they feel and we believe, that partnering communities is the best form of governance that you could have. When we see the words community development mentioned here, it is something I would accept with open arms. I know that the people opposite did not care about community centres or community development.

I was told, and it could be verified, that no new community centres have been built since 1984 by that administration. It is only last year and this year that we are opening new community centres. Under the Unemployment Relief Programme, they built three or four community centres, but under the Ministry of Social and Community Development, no community centre was built.

**Mr. Narine:** Twenty two community centres; “allyuh fellas could lie.”

**Mr. Speaker:** Order please!

**Hon. M. Ramsaran:** I will give it to the Member for Arouca North, URP built a few, but the ministry that was responsible abdicated its responsibility. Yesterday we opened our 43<sup>rd</sup> community centre in the last two years. [*Desk thumping*] This is going to continue unabated before and after elections.

**5.30 p.m.**

There are two in Diego Martin East which are to be opened soon. Those are three more which were built from 1984 to 1995. We are continuing to build more community centres and do more for this country. I know they will tell their supporters that they were building community centres, but we know that is far from the truth.

Mr. Speaker, since coming into office and taking charge of the National Alcohol and Drug Abuse Prevention Programme, we have initiated a number of programmes to deal with the drug problem in this country. I want the Member for Diego Martin Central to know what we did about drugs in this country. This is the first time a Government is serious about drugs in this country. It is shown by the number of things the Attorney General and the Prime Minister have done since coming into office, with the Shiprider Agreement and various other agreements and initiatives with other governments. They talk about my colleague, the Member for Nariva as if he is the harvester or planter of marijuana. The Government has an exercise every six months to deal with destroying marijuana in the Nariva forest. It is unfair to implicate my colleague in this marijuana business.

One can read in the weekend *TnT Mirror* where the Member for Laventille East/Morvant admitted to using marijuana and this would go quietly. I do not know if he denied the statement, but in today's *TnT Mirror*, the Member for Laventille East/Morvant said he confessed to using marijuana. I am not into personality attacks, but it is unfair to bring in the Member for Nariva and talk about marijuana. I think that is a subtle way to influence people—one knows in Trinidad and Tobago that one just hears a little rumour and adds to it. I think that was done deliberately. I want it to be known that since this Government came into office it has done more to reduce the planting of marijuana than any other Government did before. We have replaced that with programmes, and I was talking about the National Alcohol and Drug Abuse Prevention Programme.

We have been to Nariva to talk to the people about anti drugs initiatives, so they can get involved in what is taking place in the country, to move away from drug use and abuse. I am sure the Member could tell this House and this country what has happened in that constituency.

When we assumed office, the percentage of people living below the poverty line in Nariva was about 36 per cent. Today, as we speak, I am sure it is a single digit because Trinidad and Tobago's poverty line has now dropped to 5 per cent. This is something of which we have to be proud. We are doing our work. Everything we hear and read about in the newspapers shows that the Opposition is trying to negate our achievements. That cannot be done. I am telling you that after the people decide what they will do on election day, we shall see many new faces in this Parliament and not on that side.

In the National Alcohol and Drug Abuse Prevention Programme, we have initiated public education in schools. We have done an aggressive campaign against drugs in almost all schools in the country and initiated poster and media campaigns. If one reads the part of the newspapers which does not deal with propaganda, one will know what the Ministry of Social and Community Development is doing in the area of drug treatment and rehabilitation. Our poster and media campaigns have been quite successful, if we may say so ourselves.

This has not yet been proven. I do not want to put it on record, but I will say that recently in speaking with the people of Caura that deal with the treatment and drug rehabilitation centre, they told me that new users of drugs have dropped substantially in this country. New users, not users who have been there all the time. The statistics show that there has been a drastic decrease of new users of drugs in this country. This means that something good is happening and it is no accident. It is because of what is being done in the National Alcohol and Drug Abuse Prevention Programme.

We continue to hold discussions with non-governmental organizations, state and private sector agencies. The officers and board of the National Alcohol and Drug Abuse Prevention Programme are quite aggressive. As a matter of fact, yesterday, over 75 persons participated in a one-day workshop on re-entry and relapse prevention training. Mr. Frederick Lowe delivered an address which was quite educational and comprehensive. This is being done in all parts of the country to deal with drug abusers.

The Member for Diego Martin Central asked what is happening with drugs in this country and what is being done about it. I put on record that this Government has done more than any other government has, in dealing with our drug problem in the areas of prevention, demand and supply. We know people would think that everything which is happening in the country is electioneering.

I want to tell the Opposition that sometimes they must get up. Yesterday, it was said by the Leader of the Opposition that he has the authority to say the other side. For instance if we are doing something good, he has the authority to say we are doing badly. Sometimes they must let their conscience speak. If they look at what is taking place in our community centres, they would see it is a far cry from the past.

Yesterday the Leader of the Opposition was defending a village council with about six or seven members. It was a geriatric looking crowd with persons over 70 years of age. He was defending their use of the village councils. We are now making community centres available for the community. It must not be used by one group, but by the entire community, seven days a week, not one group a month. We are going to ensure that a community centre is now a centre for the community.

We are living in a changing world and things are happening around us. We have to use our community centres for distance learning. We must get our community people who did not have the opportunity to go to school, to use the centres to educate themselves to face the challenges ahead, and not to remain as my colleague, the Member for Tobago East would describe them, as "grade 3". We need to move our people up to accept the challenges of the 21<sup>st</sup> Century.

Community centres are important. The Opposition must wake up and let the country know what is happening. I feel if they speak the truth they might succeed, but when they go on lying, they would believe the lies. The people will see the truth and decide their fate at election 2000.

One has to understand this Bill. I feel that the Members Opposite just come here today to take part in a debate. I know my friend, the Member for Diego Martin East, would talk on a Bill for 75 minutes and give us his policy and what he thinks, although sometimes he talks for 75 minutes and says less than he said this evening. The fact is that he would have read the Bill and understood what was taking place and tell us something, whereas, the Member for Diego Martin Central who professes to be somebody who knows about financial matters in this country spoke about clauses 4 and 5.

In my humble view, the entire Bill dealing with all the financial crimes in this country must be checked and checked now. If we want to be honest, this is an opportune time to do so. Because of the price of oil the economy is growing and temptation could take place. I think it is an opportune time that we put a stop to money laundering.

As I said before, money laundering is a serious crime which could destroy a country, moreso a small economy like Trinidad and Tobago. I warn the Members opposite, let us not be political in what we do. Let us try to do things in a rational way that would help develop this country and protect it from criminals. The biggest criminals in the world are those who deal with money: money launderers. We read so many books and hear so much about money laundering and yet, two senior Members of the Opposition asked what is it going to do, and how are we going to deal with it. The whole question makes it look so simple as if it is something we should deal with piecemeal.

I congratulate the Attorney General for coming here with a piece of legislation which would deal effectively with our money launderers and people who try to make this country poorer. Under the last government poverty climbed steadily to about 35 per cent. We did not say it. The United Nations Development Programme said for us, that poverty in this country has dropped to 5 per cent. Unemployment is in the single digits and this is because of our policies. This piece of legislation will also impact on our poverty level. Money that will ordinarily be lost to Trinidad and Tobago will now be back in our system.

I remember in the 1990s we had this brain drain and money drain. People would not invest in Trinidad and Tobago. When we asked them why they were not investing, they said it was because they had no confidence in the Government of the day. Today we have competition. There is massive infrastructural development across this country. Trinidadians and non-Trinidadians are investing in Trinidad and Tobago as never before. This is simply because they have

confidence in the Government of Trinidad and Tobago. This must be strengthened by this piece of legislation. The Members opposite should now apologize and look at the whole welfare of Trinidad and Tobago. Look at what this Bill could do to ease the plight of our poor people, to put in place treatment and rehabilitation centres to ensure that the people who are affected by drug use and abuse would be put on the road to recovery.

Section 58 states where the ill-gotten money, the money that has been used for illegal activities, could now be put in a positive light and help develop Trinidad and Tobago. It is no wonder why we could not have water for all and that big dream appeared to dazzle everybody. That is being realized, thanks to our Minister of Public Utilities and the Government of the day. Universal education for all is a dream because the money that we were supposed to spend on education was being frittered away. Today we could boast of universal secondary education for all in Trinidad and Tobago. This is another dream.

When they start to campaign they will see. I invite the Members to see the difference in their constituencies between 1995 and 2000. I am sure they have better roads on which to walk and drive when they go campaigning. When I campaigned in 1995, I gave up more than half of my constituency because the supporters said Mr. Ramsaran, we cannot even walk here, why should we campaign. If that was what the last Government did to Chaguanas, then they had no choice but to support the United National Congress.

I support this Bill and would like Members opposite to look at how we could develop Trinidad and Tobago. One sure way to develop this country is to ensure that our money is well spent where we want it to be spent. I do not want to say what I am not sure about. When one listens to the Members opposite, it seems as though something is hidden. Perhaps later on when somebody speaks, we will get a little more of why they are protecting these criminals who launder money and allow money to leave this country without being checked. I hope Members opposite support this Bill for what it is worth.

Thank you.

**The Attorney General and Minister of Legal Affairs (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, I think that it is necessary to further explain some of the matters contained in this Bill in the light of some of the comments made.

The point has been made that we should keep this as a drug trafficking Bill, Proceeds of Crime from Drug Trafficking. At the present time in Trinidad and Tobago there is law which exists under the Dangerous Drugs Act of 1991, as amended by 1995, for the court and the state to confiscate profits derived from drug trafficking.

**5.45 p.m.**

There is a procedure for it. As I explained, after conviction there has to be an inquiry and the orders are made for confiscation. The existing law provides also for forfeiture of property used for drug trafficking. There are also restraint orders, charging orders, *et cetera*, and it is under that existing legislation, for the first time, that the state was able to confiscate the assets of, let us say, Mr. Ramdhanie. It is because there was no law to confiscate the assets of persons convicted of serious crimes, that, for example, the Dole Chadee assets could not have been confiscated. Although, for example, the intelligence and the police information was that the Dole Chadee gang was involved in criminal activity and he was convicted for other offences, we could not have taken confiscation proceedings even though his crimes were committed in order for him to get profits.

So, that is the kind of rationale that the international community used, for example, when we had the Vienna Convention. It happened in two stages, Mr. Speaker. Under the Vienna Convention in 1988 it was recognized for the first time that in order to get at these criminals in the drug trade, the people who financed the trade, there had to be a new method, a new kind of weapon and that weapon was devised to get at their profits. It was at that historic convention on drugs that the international community said that it was aware that illicit drug trafficking generates large financial profits and wealth, enabling transnational criminal organizations to penetrate, contaminate and corrupt the structures of government, legitimate commercial and financial business and society at all its levels. Then, under the article dealing with confiscation, it required each country to take steps in order to criminalize money laundering and to provide laws so that the proceeds derived from drug trafficking could be seized and traced.

After 1988, Mr. Speaker, the international community again met and they came up with 40 recommendations known as the 40 recommendations of the Financial Action Task Force. Those 40 recommendations have been endorsed by all the important international organizations and communities. As a matter of fact, the procedure is now that if countries do not conform to these recommendations they are blacklisted. The Commonwealth took a decision that countries must introduce legislation, not only legislation to implement the Vienna Convention but to implement the 40 recommendations of the Financial Action Task Force. There is a Caribbean Financial Action Task Force which consists of governments, and the Trinidad and Tobago government is one of the countries represented. Long before we came into office the Government of Trinidad and Tobago took a decision that it is going to implement these recommendations.

The United Nations committee on drugs that met recently, the world convention on drugs of the United Nations, also took a decision that countries must do that. What has been happening on the international scene is that the Financial Action Task Force—I read the recommendation that deals with this particular issue with serious offences at the start of this debate but I am going to read it again:

“Each country should take such measures as may be necessary, including legislative ones, to enable it to criminalise money laundering as set forth in the Vienna Convention. Each country should extend the offence of drug money laundering to one based on serious offences.”

So one sees that it is not only drug trafficking, there is a change in that it must be all serious offences. The reason for that, Mr. Speaker, is, it is recognized that serious offences can be linked to money laundering in relation to drug trafficking.

For example, in America, when they had to get at Al Capone they got to him through the income tax laws. If persons are violating the income tax laws in order to make profit out of that crime, the state ought to have the power to take the profits for the benefit of the state. That is rational. If persons are running shell companies and are money laundering through those companies by violating the company laws, then that should be able to be taken because violation of those laws can be used for money laundering. I read this afternoon some of the areas in which it is done, and that is what is done by shell companies. They violate customs regulations, they use under-invoicing, over-invoicing and use the customs regulations and procedures to money launder and to defraud. If the customs laws are being violated so are VAT laws and copyright laws.

As a matter of fact, Mr. Speaker, about six months ago an anti piracy summit was held in Trinidad and Tobago in which all of the players in the music industry came together. There was a unanimous call to treat violations of copyright in the same way that we treat violations of other serious matters. The recommendation was that if when people are making profit from the violation of serious laws, and the profits can be seized, why should the Government not include violation of copyright laws? Let us say, for example, there is a famous singer and somebody is pirating his music and violating the law and making a profit, is the Opposition saying that the calypsonians must not be protected and the profits which are made by these pirates should not be taken by the state in order to prevent the commission of serious crime?

So, Mr. Speaker, I really do not know why these obstacles are being put in our path when we come here to pass legislation like this. I was at pains to point out that the Government was ready to pass this in 1997 because there were requests to the previous administration to have the laws passed. No steps were taken to draft the laws. When we got in office we drafted the laws. We consulted and we brought the laws here. After they were laid here the business community and other stakeholders said they wanted more discussions. We went through extensive consultations—the Law Commission—in order to get some sort of consensus on this piece of legislation.

We have reached the stage where we brought this legislation in which the Chamber of Commerce, the banking community—the stakeholders—may not have agreed with every clause in the Bill, but the general consensus of the Bill is that we need to attack serious crimes, we need to attack drug trafficking, we need to have money laundering in respect of all serious crimes and we need to have harsh measures to deal with it and they would co-operate in disclosing suspicious transactions and comply with these regulations.

I have been told today that there is no other country that has passed legislation dealing with serious crime under a Proceeds of Crime Act or to confiscate property. Mr. Speaker, Barbados has done it. Antigua has done it. Guyana is in the process of doing it. The Bahamas is now in the process of doing it. Australia has done it—Proceeds of Crime Act, 1997. Canada—Proceeds of Crime (Money Laundering) Act, 1991 and Record Keeping Act, 1991. France; Germany—Prevention of Organized Crime Act, 1992 and Money Laundering Act, 1993. Hong Kong—Proceeds of Crime Act. Italy, Japan, Singapore, the United Kingdom—Criminal Justice Act, 1988 and Drug Trafficking Offences Act, 1994. The United States, apart from 1956, 1957 and 1994, recently passed another Act in the year 2000.

Mr. Speaker, it has been found also that corruption is an offence which is linked to the drug trade because the drug trade corrupts all sectors of the society. It has been found that it is most important for assets to be seized if people profit from their corrupt act. Now, I do not know, for example, if a contractor tells a government that they could build a building, says the building is good and the building turns out to be bad, whether that person can be prosecuted for corruption or fraud. If the person is making profit from those corrupt acts, then the government of Grenada or the Government of Trinidad and Tobago with their legislation would be able to take steps through the appropriate channel to see whether the assets derived from corruption or misrepresentation could be confiscated.



Hon. Members must not be afraid because the law is for everybody. If under this law someone is corrupt, commits offences and makes profit out of those offences, that person must understand that if the police and the DPP can say that he/she has been making profit out of this crime, that person would have to surrender those profits to the state for the benefit of the state. I do not understand why people with no cocoa in the sun should be worried about this legislation.

Mr. Speaker, when the PNM came in 1991 and in 1995 with their legislation, we told them that with respect to money laundering and drug trafficking—and I remember this very clearly—the then Leader of the Opposition said, “We will support you if you extend this to all crime and not only drug trafficking”. We suggested to the government then that they should include in the net all serious crimes, but that was resisted. So, Mr. Speaker, I am not too surprised that the Opposition is resisting this today because this would mean that there would now be serious legal machinery and legal infrastructure to deal with the drug trade and with money laundering.

Under the present set-up with the law that we have, the state is handicapped. If the police are doing an investigation to see whether people are making profits from crime and they do not have these kinds of laws, then they would not be able to use the information to determine if a man is getting a certain income but he has certain assets, whether his enrichment corresponds to his income tax returns; to see whether the companies that he has are shell companies in order to determine whether he is making profit out of crime or determine from where he is getting his money. So that under the existing law, the state is seriously handicapped in investigations for money laundering because the legal machinery is not sufficient to deal with it.

That is why, Mr. Speaker, the international community has recognized that there cannot only be confiscation and money laundering in relation to drug trafficking because drug trafficking has many other connections, many other tentacles; whether it is corruption, income tax fraud, shell companies or casinos, whatever it is, so that we cannot concentrate on drug trafficking without concentrating on all serious crimes. The United Nations has recognized this too and that is why countries have been meeting regularly. Trinidad and Tobago was represented at the first meeting in which there is going to be a UN convention on transnational organized crime and that convention is drafted. In that convention it is on other innovative measures in order to deal with transnational organized crime.

**6.00 p.m.**

If it is that we in Trinidad and Tobago, as the hon. Member for Diego Martin Central is saying, should forget the other offences, just keep to drug trafficking, Mr. Speaker, that is a backward step. The reason it is a backward step is that it is recognized that all Government's policies in relation to drugs and crime must be policies in which it would foster regional and international corporation in the fight against drug trafficking and transnational organized crime.

Mr. Speaker, I was at pains. I read today from the Mutual Legal Assistance Arrangements in the Vienna Convention, and I read from Article 7 and showed that in order for countries to, in effect, co-operate, to comply with the Vienna Convention, they have to give information in respect of all serious crimes that are being committed.

For example, if Trinidad and Tobago and the United States of America or Britain or Canada—let us say Canada has requested information from Trinidad and Tobago under the Vienna Convention with respect to mutual legal assistance, they can request information regarding all serious crimes in Trinidad and Tobago. It is not limited to drug trafficking. How is it that one can have a criminal justice regime to deal with drug trafficking when the international community is telling one that one has to have co-operation in all serious crimes in order to effectively fight it?

Mr. Speaker, it does not need an Einstein to know that in order to fight the drug trade, no one country can fight it alone. In order to detect money laundering, one cannot be alone. One has to co-operate and needs the co-operation of other countries. That is why even the big super nation, the United States of America, cannot fight the drug war alone. It needs the co-operation of the Caribbean, the small countries, just as we need their co-operation and the co-operation of other countries.

One can stay in America and run a drug trade in the Caribbean. One can stay in the Caribbean and run a drug trade in America. Most of the drugs that pass through Trinidad and Tobago end up in Canada, the United States, and other countries. If the Opposition is really claiming to be an alternative government of Trinidad and Tobago, they are displaying ignorance with respect to how to deal with transnational organized crime and drug trafficking and money laundering.

Mr. Speaker, there is this recommendation that we should have a parliamentary committee to look at this whole question. Why do we need a parliamentary committee to deal with this whole question when the PNM

administration recognizes that they have to comply with the 40 recommendations of the Financial Action Task Force and they agreed with the Vienna Convention on drugs. Do we need now to have a parliamentary committee to look at that again? The only reason for that is that if the Opposition wants to obstruct, and if they want to obstruct and delay, they would ask for a parliamentary committee to look at the whole question.

Mr. Speaker, we are telling them that they will have to decide to either support the people, support the drug lords or to support the international criminal syndicate, and I am going to take them on board. They have made one point that it will be safer to have a specified majority for this Bill. I am going to introduce at the committee stage, an amendment to put a specified majority in order to ensure that nobody could challenge this Bill. I am going to ask the Opposition to support it. *[Interruption]* Don't worry, we will talk about it in committee.

I do not want the Opposition to file any motion to delay the implementation of this Bill, because we intend to implement this Bill very quickly. Mr. Speaker, we believe that we have put all the facts here in which we can show that this Bill is a Bill for the benefit of the people.

What then did we have? I do not know if the hon. Member for Diego Martin East—he accused the Member for Tobago East of not reading this Bill, but I am not too sure that he read this Bill, because he talked a lot of prostitution. That is all he could come with in an important Bill like this and talk about prostitution. I do not know what he has on his mind, Mr. Speaker. The fact of the matter is that he seems to be the lawyer for the Opposition. He has no legal qualification, but he seems to be the bush lawyer for the Opposition.

He is talking about clause 4. Clause 4 is in a different form in the existing Dangerous Drugs Act which his government passed. It is under section 30. Under the existing clause 4, it is mandatory. That is to say, there must be an investigation. There is no discretion of the DPP. So, even if the profit derived from crime is \$10, under the existing law, as long as it is drug trafficking, there must be an investigation. The way section 4 is drafted, there is a discretion as to whether there should be an investigation by the court.

Clause 5 says that if the DPP says that the profit seems to be more than \$1 million, there are certain assumptions that will be made. In other words, to assist in proving that the profits were derived from the criminal activity. So, I do not see what major objection there could be to clauses 4 and 5, and with respect to clause 5, as I said, the assumptions are there, and the assumptions can be rebutted.

Mr. Speaker, I do not understand. If they had read the Bill, they would have seen that it also talked about relevant business activity. If they read the Bill, they would see that first, the Bill deals with confiscation which we have already dealt with, and the law exists for drug trafficking. The second part of the Bill deals with money laundering and the money laundering section had innovation.

One of the new clauses which places a legal obligation on financial institutions to examine transactions—and clause 55(1) says “Every financial institution” which is described in the Act and, as the hon. Member for Tobago East said—and I must say that the hon. Member for Tobago East showed that he has done a lot of reading on this matter. What he submitted showed that there are all these linkages with money laundering and that one has to look, for example, at the banks, the financial institutions, the building societies, societies, insurance companies, securities industry; all these are listed as financial institutions.

Clause 55(1) says:

‘Every financial institution or’

So it could be a financial institution.

“person engaged in a relevant business activity”

Persons engaged in a relevant business activity are mentioned in the first schedule to which this could be added from time to time. Real estate business. There is where people can launder money. It has been found that motor vehicle sales—that is how moneys can be laundered—courier services, gaming houses, jewellers, pool betting.

Clause 55 (1) and (2) says:

“(1) Every financial institution or person engaged in a relevant business activity shall keep and retain records relating to financial activities...

(2) Every financial institution or person engaged in a relevant business activity shall pay special attention to all complex, unusual or large transactions, whether completed or not, and to all unusual patterns of transactions, and to insignificant but periodic transactions, which have no apparent economic or lawful purpose.” *[Interruption]*

Do you want me to include contractors, hardware dealers and stadia contractors? Especially when they build stadia in Grenada!

**Mr. Imbert:** Put it in.

**Hon. R. L. Maharaj:** Mr. Speaker, clause 55(3) says:

“Upon suspicion that the transactions described in subsection (2) could constitute or be related to illicit activities, a financial institution or person engaged in a relevant business activity shall report the suspicious transactions to the designated authority...”

**Mr. Imbert:** What about lawyers?

**Hon. R. L. Maharaj:** Lawyers are included.

**Mr. Speaker:** Order please.

**Hon. R. L. Maharaj:** We have not included bush lawyers, but we might probably consider that; people who practise law but they are not legally qualified. Mr. Speaker, many criticisms of the Government have been made in respect of an offence under the Income Tax Act, an offence under the Corporation Tax Act, an offence under the Value Added Tax Act, an offence under the Customs Act and an offence under the Copyright Act.

As I explained, under these Acts, apart from making profit from the criminal offence itself not following the law, in all of these or in some of these, at least, violations could be linked to money laundering and drug trafficking. As I said, income tax, corporation tax.

**Mr. Valley:** Mr. Speaker, if there is the link, we have no problem, and all we are saying is, make that nexus. In other words, we are saying that an individual who may be guilty of an offence under the Income Tax Act and who is not involved in any drug related activity ought not to bear the brunt of this legislation. That is the simple point we are making.

**Hon. R. L. Maharaj:** Mr. Speaker, that is not the policy of this legislation. The policy of this legislation and the policy which Governments have a duty to do to attack the drug trade is that they must deal with profits from all serious crime! Some of the serious crime may be linked to drug trafficking, but all serious crime—and I am at pains to read and to show that that is what has to be done in order to deal with the problem.

**Mr. Valley:** *[Inaudible]*

**Hon. R. L. Maharaj:** Well then vote against it, but do not get up and ask the same question over and over!

**Mr. Imbert:** I thank the Attorney General for giving way. Certainly, serious crimes, but the way the schedule is drafted, it covers all, whether serious or not. That is the issue I would like to deal with.

**Hon. R. L. Maharaj:** Mr. Speaker, when I made my contribution I said that one of the areas of the legislation which has had some criticism, and which we have been asked to look at again—and I will be prepared to look at it at the committee stage, I said so—is in respect of this schedule to see whether the serious offences under these legislations could be extracted. In pursuance of that, I got my Chief Parliamentary Counsel department to extract them and I have drafted an amendment which I will circulate.

**6.15 p.m.**

There are two different things that they are saying. One is saying that he does not want this legislation to deal with serious offences at all, he only wants it to deal with drug trafficking. If that is the case, we do not need this legislation, because we have legislation already to deal with drug trafficking.

**Mr. Imbert:** He did not say that.

**Hon. R. L. Maharaj:** Then we have the other one saying, "Well, listen, let us see if we could look and extract the serious offences." That is a reasonable request.

**Mr. Imbert:** I did not say that.

**Hon. R. L. Maharaj:** He did not say that. [*Interruptions*]

**Mr. Imbert:** Bring the serious crimes; circulate it!

**Hon. R. L. Maharaj:** Countries are victims of tax evasion schemes that use various financial centres around the world and the bank secrecy laws to hide money from tax authorities; that is recognized as what happens. Financial centres which have strong bank secrecy laws and weak corporate formulation regulations, obviously promote money laundering.

It has also been recognized that if you do not take the profits out of serious crime—and I want to say again that serious crime is one of the matters mentioned in the 40 recommendations of the Financial Action Task Force. Serious crime is defined as a crime which carries, at least, one year imprisonment.

I really do not know what is the basis of the Opposition opposing this measure. What I would do at the committee stage—and I could ask for it to be circulated at this time, if the Chief Parliamentary Counsel is ready with it—is that I plan to amend the preamble to insert the preamble of section 13 of the Constitution. In order for it to take in the response of the Opposition, I also intend to amend the Second Schedule, and the department has extracted the serious offences under those legislations; so we can start with that and as time goes on we will see how it works. We have done some other amendments which would include an affirmative resolution of Parliament in some matters.

I would like to thank Opposition Members for their comments on this Bill, notwithstanding the fact that some of them were not very relevant to what we are doing, and it showed that they really did not grasp the contents of the Bill. Notwithstanding that, Mr. Speaker, the Government has a responsibility to take on board whatever they have said, to consider the matters and to see whether we can arrive at some consensus.

Mr. Speaker, I would like to close by saying: I trust that a lot of the "gallery" which the Opposition was engaged in—that they were not going to support the Bill; I know that is a lot of "gallery"—I know that when the time comes they will have to make that important decision when they look at the scales of justice for the people: whether they are supporting the drug lords or the people.

Mr. Speaker, I beg to move.

*Question put and agreed to.*

*Bill accordingly read a second time.*

*Bill committed to a committee of the whole House.*

*House in committee.*

**Mr. Chairman:** Hon. Members, I take it that you have before you a list of amendments circulated today consisting of six pages. There is also another list of amendments. [*Interruption*] Does this one supersede the other?

**Hon. R. L. Maharaj:** Yes.

**Mr. Chairman:** So the amendments that we would concentrate on would be the six-page list.

*Clause 1 ordered to stand part of the Bill.*

*Clause 2.*

*Question proposed, That clause 2 stand part of the Bill.*

**Mr. Maharaj:** Mr. Chairman, I beg to move that clause 2 be amended as follows:

“Delete subclause (2) and renumber subclauses (3) to (8) as (2) to (7) respectively.”

**Mr. Imbert:** I have a problem with the definition of “specified offence”. Even the proposed amended Schedule does not deal with my concerns, because even failure to make a return is an offence.

**Mr. Maharaj:** Mr. Chairman, failure to make a return carries a penalty of \$15,000 or imprisonment for two years. It is not every person who fails to make a return, but if persons are not making returns and they are making profit out of it and they are profiting from crime, this is what should be attracted, so it has to be—

**Mr. Sinanan:** Should we not somehow relate it to that? As it stands—

**Mr. Maharaj:** Somehow relate it to what?

**Mr. Sinanan:** Relate it to the fact that you are making profit from illicit crime.

**Hon. Maharaj:** That is what the Act says, and this is just the Schedule of the offence; the Act says that. I do not think you all understand this at all; I do not think you read it. The Act says it; the Act gives detail in the section. The clauses say that it has to be derived from this, there is a procedure, so this is just the offence.

**Mr. Valley:** Mr. Attorney General—Oh God!

**Hon. Maharaj:** Well, you are against it, right?

**Mr. Valley:** We have a problem with the Second Schedule.

**Mr. Imbert:** When I look at the clauses like 33, Mr. Attorney General, and when I look at the powers of search, seizure, and investigation, and you are applying that to someone who has not filed a return—

**Mr. Maharaj:** That is totally inaccurate. Clauses 3, 4 and 5 deal with the procedure. For example, with respect to an offence, if someone is making profit out of the breaking of an offence, that is how it is. It is not everybody who breaks—not everybody who is convicted of drug trafficking has their property confiscated.

**Mr. Imbert:** I did not say clause 3, I said clauses like clause 33. You have clauses that talk about investigation into, so you have not committed it yet—

**Mr. Maharaj:** But that is how people are engaged in drug trafficking, they do not file income tax returns for years and, in effect, you find out that they are making money. Therefore, if you are not filing tax returns but you are making profit out of it by not disclosing the truth, then your assets could be confiscated, if the court so finds.

**Mr. Imbert:** And certainly if you are a criminal, drug trafficker and so forth, it should happen, but what about an ordinary person who does not file a return for whatever reason?



**Mr. Maharaj:** But for an ordinary person who does not file a return you would not be able to show that he made profit out of it.

**Mr. Imbert:** But you are still investigating him and going to his house and—

**Mr. Maharaj:** No.

**Mr. Imbert:** How do you mean?

**Mr. Maharaj:** You cannot prevent police from investigating; there is a remedy if there is an abuse.

**Mr. Imbert:** But we do not want to get to that point.

**Mr. Valley:** Bear with us; I do not know anything about drugs so help me. If I fail to file my return, the Income Tax Act specifies the penalty. Now, I am not into drugs, why do I have to fall under this Act? If you are telling me that an individual may try to help, he may want to evade the tax, because he is involved in illicit drugs, fine. Let us have that nexus, but I cannot see that because I am busy I have not filed my 1996 tax return, or something of the sort, do you bring me under this legislation?

**Mr. Maharaj:** Mr. Chairman, that is so untrue and so inaccurate that I do not really believe that the Member for Diego Martin Central does not understand it. It is not everybody who does not file a tax return that would be making profit. It does not only deal with drug lords, it deals with people who are using not filing returns to make profit out of it and are involved in some criminal activity, if you are involved in serious crime; that is the policy of the Bill.

**Mr. Valley:** That is the nexus we want! [*Crosstalk*]

**Mr. Maharaj:** Not filing your income tax return over a period of time does not mean that you are involved in crime. If you are not doing it over a period of time—[*Crosstalk*]

**Mr. Valley:** Some people have not filed for four years not because they are involved in serious crime, but because they cannot find somebody to do it or some nonsense like that.

**Mr. Sinanan:** What you are saying is that because someone is not filing a tax return you are involved in serious crime.

**Mr. Imbert:** That does not make sense.

**Mr. Maharaj:** But you know the law is quite clear, there has to be a benefit by not filing the tax return.

**Mr. Valley:** But you have a benefit, because if you have tax payable, one who has not filed his tax return for four years—

**Mr. Maharaj:** But there has to be a financial benefit.

**Mr. Valley:** Well, there is a financial benefit, because I have not paid my taxes. Okay, I have taxes due and outstanding for 1993, 1994, 1995 and I have not filed my tax return, I have a penalty on Inland Revenue. I would have to pay \$100 in October, June and all sorts of things. [*Crosstalk*] Are you sure that all your colleagues have filed their tax returns? Are they up to date in their tax returns? [*Laughter*]

**Mr. Imbert:** That is all we are asking.

**Mr. Valley:** Did you file your tax return for last year?

**Mr. Maharaj:** I do not know. [*Laughter*]

**Mr. Valley:** Or year before? The next thing you know—[*Laughter*]

**Mr. Maharaj:** I have filed my tax returns. My tax returns are filed.

**Mr. Valley:** Ask your colleagues.

**Mr. Imbert:** All we want you to do is to link it to the intent and purpose of this whole thing. [*Crosstalk*] Take some time; you could take a day or two to deal with this.

**Mr. Maharaj:** No, I am not taking a day or two, this is the policy in the Bill and we are going with it. The most we can do is stand this down.

**Mr. Chairman:** Hon. Members, clause 2 would be revisited.

*Clause 3 ordered to stand part of the Bill.*

*Clause 4.*

*Question proposed, That clause 4 stand part of the Bill.*

**Mr. Valley:** Mr. Chairman, I want to say something on clause 4. Clause 5 sets a hurdle of \$1 million; in other words, it talks about the person getting a benefit of, at least, \$1 million. Clause 4 sets no such hurdle, so it appears that the benefit might be \$1.00. So I am suggesting that if we have to, we would go with clause 5, the \$1 million hurdle, but I think clause 4, at least, ought to be amended or deleted. Clause 5 sets the hurdle of \$1 million so we can—

**Mr. Imbert:** Why not over \$1 million?

**Mr. Sinanan:** You can commit a serious crime for \$900,000, why use that threshold of \$1 million?

**6.30 p.m.**

**Mr. Maharaj:** It is clear that clause 4 gives a discretion if there is any profit derived from crime whether the Director of Public Prosecutions would proceed. If it is over \$1 million, he is of the view that there are certain assumptions which the person can disregard. This is all acceptable in civilized countries and we do not see any reasons to amend it.

*Question put and agreed to.*

*Clause 4 ordered to stand part of the Bill.*

*Clause 5.*

*Question proposed, That clause 5 stand part.*

**Mr. Maharaj:** Mr. Chairman, I beg to move that clause 5 be amended as follows:

“Delete the word ‘(4)’ occurring in the second line of subclause (6) and substitute the word ‘(3)’.”

*Question put and agreed to.*

*Clause 5, as amended, ordered to stand part of Bill.*

*Clause 6 ordered to stand part of the Bill.*

*Clause 7.*

*Question proposed, That clause 7 stand part of the Bill.*

**Mr. Maharaj:** Mr. Chairman, I beg to move that clause 7 be amended as follows:

7 “Delete the word ‘(6)’ occurring in the first line of subclause (1) and substitute the word ‘(3)’.”

*Question put and agreed to.*

*Clause 7, as amended, ordered to stand part of the Bill.*

*Clause 8.*

*Question proposed, That clause 8 stand part or the Bill.*

**Mr. Maharaj:** Mr. Chairman, I beg to move that clause 8 be amended as follows:

- 8 “Delete the word ‘(11)’ occurring in subclauses (5) and (6) and substitute the word ‘(10)’.”

*Question put and agreed to.*

*Clause 8, as amended, ordered to stand part of the Bill.*

*Clauses 9 to 53 ordered to stand part of the Bill.*

*Clause 54.*

*Question proposed, That clause 54 stand part of the Bill.*

**Mr. Maharaj:** Mr. Chairman, I beg to move that clause 54 be amended as follows:

- 54 “Delete clause 54 and substitute the following new clause:

Extension of  
certain offences  
to public servants

54(1) The Minister responsible for Public Administration may make Regulations to provide that, in such circumstances as may be prescribed, sections 43, 45, 46, 51 and 52 shall apply to such persons in the public service of the State or such categories of persons in that service, in the execution of their duties, as may be prescribed.

- (2) Regulations made under subsection (1) shall be subject to an affirmative resolution of Parliament.”

*Question put and agreed to.*

*Clause 54, as amended, ordered to stand part of the Bill.*

*Clause 55.*

*Question proposed, That clause 55 stand part of the Bill.*

**Mr. Imbert:** Could the Attorney General tell me what is meant by the term “designated authority”. Clause 55(7) says:

“...the designated authority may enter the premises of any financial institution—”

**Mr. Maharaj:** Look at clause 55(8). The designated authority is the person appointed by the Minister.

**Mr. Imbert:** Which Minister.

**Mr. Maharaj:** The Minister of National Security.

**Mr. Imbert:** He could just appoint anybody? Is that what that means?

**Mr. Maharaj:** Yes.

**Mr. Sinanan:** What is the designated authority?

**Mr. Maharaj:** It must be the person who would be suspicious, the bank account is suspicious, transaction and so forth is reported to him.

**Mr. Sinanan:** It should have a definition for that.

**Mr. Imbert:** I do not think it should be any and everybody.

**Mr. Maharaj:** Do you have a suggestion?

**Mr. Imbert:** Yes, it should be an accountant or some professional like a lawyer. No arbitrary person, and certainly not a politician.

**Mr. Maharaj:** I do not think the intention is to have a politician.

**Mr. Imbert:** It does not matter, it is open to that. It is open to abuse. It should be somebody who has some sort of professional code of ethics or something like that.

**Mr. Sinanan:** Would it be better to put that in the definition clause, to define who should be the designated authority?

**Mr. Maharaj:** I think I would take that suggestion.

**Mr. Imbert:** And let it be somebody who has to follow a code of ethics, an accountant or a lawyer.

**Mr. Maharaj:** Thanks.

**Mr. Maharaj:** Mr. Chairman, I beg to move that clause 55 be amended as circulated:

55 “Delete subclause (9) and substitute the following new subclause:

- (9) The Minister may, by Order, subject to negative resolution of Parliament amend the First and Second Schedules.”

*Question put and agreed to.*

*Clause 55, as amended, ordered to stand part of the Bill.*

*Clause 56.*

*Question proposed, That clause 56 stand part of the Bill.*

**Mr. Maharaj:** Mr. Chairman, I beg to move that clause 56 be amended as follows:

56 “Delete clause 56 and substitute the following new clause:

Regulations                      56(1)        The Minister to whom responsibility for Finance is assigned may make Regulations—

- (a) prescribing the types of records to be kept by financial institutions and others required to do so and the information to be included in those records;
  - (b) prescribing the period for which, and the methods by which, records referred to in paragraph (a) are retained;
  - (c) prescribing measures that persons to whom this Act applies are to take to ascertain the identity of persons with whom they are dealing where the transaction is one in respect of which this Act applies; and
  - (d) generally for carrying out the purposes and provisions of this Act.
- (2) Regulations made under subclause (1) shall be—
- (a) subject to an affirmative Resolution of Parliament;
  - (b) published in the *Trinidad and Tobago Gazette*.”

*Question put and agreed to.*

*Clause 56, as amended, ordered to stand part of the Bill.*

*Clause 57.*

*Question proposed, That clause 57 stand part of the Bill.*

**Mr. Imbert:** Mr. Chairman, clause 57 states if one contravenes section 55 that you are liable to a fine of five hundred thousand dollars or to imprisonment, *et cetera*. When I looked at clause 55, it talks about an internal compliance programme, and 55(6)(d) says:

“(d) appointment of a staff responsible for continual compliance...”

Suppose I do not do that. Suppose I am in the real estate business and I do not appoint a staff member to deal with this, does it mean I could be fined \$3 million?

**Mr. Maharaj:** Is it clause 55 that deals with a suspicion, you have to report a suspicious transaction?

**Mr. Imbert:** Anybody who knowingly contravenes or fails to comply with the provisions of section 55. I am bringing to your attention that it is not a big deal, but it would fall under clause 57. I could be operating an internal compliance programme, but just do not have a specific staff member dealing with it. Maybe it is an oversight or whatever and I fall under clause 37. I do not think that is the intention at all, it cannot be.

**Mr. Maharaj:** I think the intention really was to limit it to clause 55(3). I will amend clause 57 because the intention was the reporting of the suspicious—

Mr. Chairman, I beg to move that clause 57 be amended as follows:

57                    57(1) Everyone who knowingly contravenes or fails to comply with the provisions of section 55, subsection 3 or Regulations made under this Act is guilty of an offence and liable—

**Mr. Imbert:** There is another problem, it also says Regulations and when I look at the Regulations some things are very serious and some are not such a big deal. Is it everything in the Regulations?

**Mr. Maharaj:** I think we should confine it to the Act and leave the Regulations for the time being.

Mr. Chairman, I am very sorry to have to inconvenience you in this way but after 55(3) we can delete the words:

“...or with Regulations made under this Act.”

**Mr. Chairman:** Member for Arouca North you are coming through a bit loud.

It is being suggested that one should delete after subsection (3) the words “or with Regulations made under this Act.”

In clause 57(1), put subsection (3) after 55 in the second line and delete thereafter the words “...or with Regulations made under this Act.”

*Question put and agreed to.*

*Clause 57, as amended, ordered to stand part of the Bill.*

*Clauses 58 to 61 ordered to stand part of the Bill.*

**6.45 p.m.**

*First Schedule.*

*Question proposed, That the First Schedule stand part of the Bill.*

**Mr. Imbert:** I would like to add “legal services”. Large sums of cash money change hands; hundreds of thousands of dollars. I cannot see why that is not in here. Is it some kind of special interest group?

**Mr. Maharaj:** We will do it even better. We will put “professional services”.

**Mr. Imbert:** Cool. That is all right with me. *[Interruption]* No, but you will have to define what “professional services” mean.

**Mr. Maharaj:** We will define it.

**Mr. Valley:** Mr. Chairman, then you will have to amend the “Definition section”.

**Mr. Maharaj:** Yes, yes, we will amend that. We have to go back to the Definition section.

*First Schedule, as amended, but for the addition of “professional services”, ordered to stand part of the Bill.*

**Mr. Maharaj:** Mr. Chairman, could I ask you not to deal with the Second Schedule for the time being?

**Mr. Chairman:** Very well.



**Mr. Maharaj:** We could deal with the Third Schedule.

*Second Schedule deferred.*

*Third Schedule ordered to stand part of the Bill.*

*Second Schedule reintroduced.*

**Mr. Maharaj:** Mr. Chairman, I think I will want to draft the Second Schedule in such a way to make certain things quite clear and I would also want to do some drafting in the definition section. So subject to the definition section with respect to the matters that we have mentioned, and the Second Schedule, I would ask that we not complete the committee stage on the Second Schedule and the definition section, in particular with respect to the definition of “professional services” and with respect to “designated authority”.

**Mr. Chairman:** So hon. Members the question is that we report progress on the Bill.

*Question put and agreed to, That the Bill be reported to the House.*

*House resumed.*

**The Attorney General and Minister of Legal Affairs (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, I wish to report that the committee stage of the Bill is not complete and it was agreed that, in respect of the definition section, clause 2, “professional services” would have to be defined; “designated authority” would have to be defined and there would have to be certain amendments to the Second Schedule. So subject to that, I ask that we defer the committee stage of the Bill for the next sitting of Parliament.

*Question put and agreed to.*

*Committee stage, by leave, deferred.*

#### ADJOURNMENT

**The Attorney General and Minister of Legal Affairs (Hon. Ramesh Lawrence Maharaj):** Mr. Speaker, I beg to move that the House do now adjourn to Monday, August 21, 2000 at 1.30 p.m.

Mr. Speaker, on Monday we propose to complete this matter, the Proceeds of Crime Bill. We also intend to do Motions Nos. 1 and 2. Motion No. 1 deals with the Elections and Boundaries Order and Motion No. 2 deals with the decision of the President to acquire land. We also intend to deal with Bill No. 2, a Bill entitled, “An Act to give effect to the Convention on the Prohibition of the Use, Stockpiling, Production and Transfer, *et cetera*. We also intend to deal with Bills Nos. 5 and 6, “An Act to amend the Supreme Court of Judicature Act” and “An Act to amend the Petty Civil Courts Act”.

*Adjournment*

*Friday, August 18, 2000*

**Mr. Speaker:** Hon. Members, before we deal with the Motion for the adjournment, there is a matter for which I gave leave to the hon. Member for Diego Martin Central to raise.

**Mr. Maharaj:** Mr. Speaker, we do not have any problem with the hon. Member putting forward his motion but we cannot answer it today, and I understand the hon. Member would not be here on Monday, so I do not know whether he wants to put it for Friday. The hon. Member for Diego Martin Central is in a most fortunate position. He would not be in our company for some time. *[Interruption]* A most fortunate position, he says. He would not be in our company for some time. Greener pastures, Sir.

**Mr. Valley:** Mr. Speaker, the Leader of the House is sending me away to represent him on a consultancy. On Monday I would expect to be late in the House, about 4.30, 5 o'clock, perhaps then we can do it because by next Friday I would be out of the country.

**Mr. Speaker:** Would you not have wanted to raise it and have it answered on Monday?

**Mr. Valley:** Yes.

**Mr. Speaker:** So, hon. Members, the point is that leave had been given to the hon. Member for Diego Martin Central to raise a matter, "The effect the indebtedness of various companies is having on the continued viability of the National Gas Company Limited, and the need for the Corporation Sole to intervene to avoid a continuing deterioration of the viability of this completely state-owned company".

#### **National Gas Company (Effects Of Indebtedness)**

**Mr. Kenneth Valley** (*Diego Martin Central*): Mr. Speaker, I do not intend to take too much of the time of the House this afternoon. However, you would recall that my colleague from San Fernando West raised the issue with respect to the indebtedness of various companies to the National Gas Company and that answer was given earlier in this period of the House showing the total amount of the indebtedness of some \$325 million.

When one looks at the accounts of the National Gas Company for the year 1998, the audited accounts of 1998/1999 are not out as yet but my understanding is that the unaudited accounts show a worsening of the position. In terms of the income position, while in 1997 the National Gas Company had operating income

of some \$409.8 million, in 1998 that figure was negative to the tune of \$11.5 million. So in that one-year period, we see a company moving from a healthy financial position of some \$409.8 million in profits to a loss in 1998 of \$11.5 million. That is the parent company.

While in 1997 the company as a group made some \$434.3 million, for 1998 the group made a mere \$7.4 million. On a net profit basis, while in 1997 the group made \$353.5 million, in 1998 the net profit was a mere \$9.8 million; a shortfall of some \$342 million. When we look at the debt position of the company, one sees that in 1997 the company had long-term debt of some \$451.5 million. That increased by some \$128 million in a one-year period. So at the same time that this company is experiencing financial difficulties, there are a number of other private companies indebted to the company. The company has had to increase its long-term indebtedness, in other words they had to go out into the market and finance an additional \$128 million. While, if these private companies had honoured their obligation to the National Gas Company, the company would not be in that position.

What is worse, Mr. Speaker, is that among the debtors of the National Gas Company is T&TEC, which owes some \$188.8 million. When the question was asked, the Minister of Energy and Energy Industries in answering one supplemental question stated that the Government had provided a letter of comfort for T&TEC with which they would be able to raise the required money to offset the National Gas Company debt and their capital work programme and they were finalizing that borrowing. What he is saying, Mr. Speaker, is that T&TEC is going to go out there, a state company, and raise the money to pay NGC.

However, in terms of the other companies, private companies such as Caribbean Methanol, Trinidad and Tobago Methanol Company Limited, Trinidad and Tobago Methanol Company Limited No. 2, Methanol Company Limited No. 4, rather than having those companies go out into the market, like T&TEC, and raise their funding, as they ought to do, and pay the National Gas Company, the Minister informed us that NGC was supposed to be mindful of the difficulties these companies were having and that they were giving them some time to pay their indebtedness. Here we have a situation where a 100 per cent state-owned company, T&TEC, is required to go out to the markets and borrow but the private third-party companies are being treated in a preferred position with the National Gas Company.

*National Gas Company*  
[MR. VALLEY]

*Friday, August 18, 2000*

If one were to deduct the T&TEC debt from the overall indebtedness, one would see that the third-party companies owe about \$126 million, Mr. Speaker, just about the amount NGC had to raise over the one-year period, 1997 to 1998, which was, as I said before, \$128 million. So that, we see that the increase in NGC's indebtedness has been caused mainly because of that indebtedness by those third-party companies. I say that the Corporation Sole has a responsibility to direct the board of the National Gas Company to be a bit firmer with these third-party companies and let them, like T&TEC, go out into the market to finance their requirements and that NGC has no reason whatsoever to be performing that banking role.

**7.00 p.m.**

The same situation that the Government is taking with T&TEC should be applied in the case of those third parties. The National Gas Company is a state company and is considered to be strategic by the PNM. It is important, and when one looks at its decline in profitability—the fact that in 1998 a profit of some \$409 million turned into a loss situation and that in 1999 the situation was worsened—we have to take corrective action now, otherwise our pearl will no longer glitter.

I thank you, Mr. Speaker.

**Mr. Speaker:** Hon. Members, as agreed, the reply and response to that matter would be, in fact, taken. [*Interruption*] Order, please.

The response to that matter which has been raised would be heard at the next sitting of the House.

*Question put and agreed to.*

*House adjourned accordingly.*

*Adjourned at 7.02 p.m.*