



CENTRO DE INTEGRIDADE PÚBLICA

Anticorrupção - Transparência - Integridade

HIDDEN DEBTS



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What is there left to clear up in the Hidden Debts trial?

Por: **Borges Nhamirre***

The “production of proof” phase in the first trial on the Hidden Debts ended on 18 February, with the testimony given by the former President of the Republic, Armando Guebuza, the last witness to give evidence in the improvised tent erected on the grounds of the Maputo Top Security Prison, which served as the courtroom for the 6th Section of the Maputo City Law Court. During the six months or so of the trial, many matters concerning how the Hidden Debts were contracted and managed were discussed. The 19 accused and more than 50 witnesses were confronted with a variety of documents and information. But a great deal remained to be explained about this case.

The fact that the trial occurred five years after the case of the hidden debts was triggered, in April 2016¹, meant that a great deal of the information discussed at the trial was already in the public domain,

The publication of the report from the audit undertaken by Kroll in 2017, the trial of Jean Boustani in the United States in 2019, the preliminary hearings in the civil suit initiated by the Attorney-General’s Office (PGR) against companies of the Prinvest group, Credit Suisse and others in the United Kingdom, between 2019 and 2021, the hearings on the requests for the extradition of former Finance Minister, Manuel Chang, in South Africa, from 2019 to 20-21, revealed much information about the hidden debts case which it was hoped would be clarified in the first trial held before a Mozambican court. But this did not happen!

This text deals with some of the burning questions of the hidden debts which were not broached or not properly explained, in the Maputo trial. The whereabouts of 500 million dollars of the EMATUM loan, alleged payments by Prinvest to the President of the Republic, Filipe Jacinto Nyusi, the payment of at least 10 million dollars to the Frelimo Party, also by Prinvest, a list of supposed Prinvest consultants, which includes Armando Emilio Guebuza and his sons Mussumbuluco Guebuza and Armando Ndambi Guebuza, his former advisers, including Edson Macuácuá (spokesperson), Marlene Magaia (press attaché), Carlos Pessane (economic advisor), are some of the points not discussed at the trial.

¹ Mozambique ‘tuna bond’ scandal almost twice big as thought – WSJ (2016, Zitamar News, available at <https://zitamar.com/mozambique-tuna-bond-scandal-almost-twice-big-thought-wsj/>) [Consulted on 23 February 2022]

* Em caso de dúvidas, sugestões e questões relacionadas a esta nota, contacte: borges.nhamirre@cipmoz.org

Payment by Prinvest to Filipe Jacinto Nyusi and the whereabouts of 500 million dollars

In electronic mail correspondence between Jean Boustani, salesperson for the Prinvest boats, and Naji Allam, the financial director of Prinvest, dated 8 April 2014, the former sent a list of payments made to Mozambican figures, identified by nicknames or by a single name (see appendix I). On this list there appears a mysterious name, Nuy. “Nuy: 2 (which we did for the sms I sent you 10 days ago)”, wrote Jean Boustani to the company’s financial director. Later, in the trial that took place in the United States, Boustani, when questioned by the judge, explained the meaning of his message.

- *“The next NUY: 2 (which we did by the sms I sent you 10 days ago). What was this?” Judge William F. Kuntz II asked the defendant.*
- *“This is current President Filipe Nyusi and this was for his political campaign”, replied Jean Boustani.*

This information is contained in the transcript of the trial of Jean Boustani, for 20 November 2019. CIP published the transcript², and submitted this and other documents to the PGR. But the court never questioned Filipe Nyusi about receiving this sum.

Another matter remitted to clarification by Filipe Nyusi is the whereabouts of 500 million dollars of the EMATUM loan. The Kroll audit could not discover the final destination of this money. António Carlos do Rosário, former chairperson of the boards of EMATUM, ProIndicus and MAM, and one of the main accused in this case, claimed that this sum was delivered, in weaponry, to the Ministry of Defence. But the then Minister of Defence, Atanásio Mtumuke, denied that his ministry had ever received such weaponry. Armando Guebuza was questioned about the whereabouts of this money, and remitted a response to Filipe Nyusi, on the grounds that Nyusi was Minister of Defence at the time and has information on the matter.

Nyusi was not a witness – but the then Interior Minister, Alberto Mondlane, gave evidence on 10 February, and categorically denied that any sector of the defence and security forces had received weaponry from the 500 million dollars. Mondlane was Nyusi’s deputy in the Operational Command of the Defence and Security Forces, and chaired meetings in Nyusi’s absence. Asked about the 500 million dollars, Mondlane said “The Ministry received nothing, no money and no assets, and I don’t know anything about these transactions”,

When the judge in the case, Efigenio Baptista, was asked three times that Nyusi be put on the list of witnesses to testify during the trial, he refused, on procedural grounds. At the end of this phase of the trial, the alleged payment by Prinvest of an amount of between one and two million dollars to Filipe Nyusi, as well as the whereabouts of the missing 500 million dollars, had not been explained.

² <https://cipmoz.org/wp-content/uploads/2019/12/20191120-USA-v-Boustani-18CR681WFK-Trial.pdf>

Payment of 10 million dollars to the Frelimo Party

The Frelimo Party received ten million dollars transferred to the account of the Frelimo Party Central Committee domiciled in the International Bank of Mozambique (Millennium-BIM) in Maputo, in four transactions that occurred between March and July 2014. The transfers were made from an account of a Privinvest subsidiary, Logistics International S.A.L (off shore), domiciled in Gulf First Bank Abu Dhabi, passing through New York, in the USA. The information was revealed on 28 October 2019, by FBI agent Jonathan Polonitza, during the trial of Jean Boustani in the US EUA³.

This information is in the documentation that CIP shared with the PGR in 2019 and is available on the CIP web page. The Public Prosecutor's Office did not charge any Frelimo Party officials for receiving funds from the hidden debts, and nobody from the Frelimo Party was called as a witness during the trial, to testify to the role that the Party played in the debts.

Armando Guebuza and his sons and advisers listed as Privinvest "consultants"

In email correspondence on 13 April 2017, between Naji Allam and someone called Ayomin Senanayake, presumed to be a Privinvest employee, the former sent a message appending a document in Excel format entitled "Relevant persons list" (see appendix II).

In the body of the same message, the Privinvest Financial Manager wrote:

"Due to the sensitivity of the information, I am using personal (email) accounts.

I am attaching a document related to transfers made to "consultants" of the Mozambique project.

I need you [to] check on the list the names where we did direct transfers to their names and send me from which company/amount/date⁴.

There is an error in 15 [of the list]. It's Isidora Faztudo and I think we did directly.

[Number] 19 we did directly for sure.

The others, please check back to 2013, if we did directly, not a company name or a lawyer or whatever.

The information is extremely confidential, so reply to this email.

Thanks"

³ CIP (2019). Partido Frelimo recebeu 10 milhões de dólares das dívidas ocultas, available on <https://cipmoz.org/wp-content/uploads/2019/10/d%C3%ADvidas-ocultas-.pdf> [Consulted on 23 February 2022]

⁴ Many Mozambicans who were paid from the hidden debts used shell companies to receive the money, to avoid the screening of their bank accounts. This is the case of Armando Ndambi Guebuza who used accounts of companies based in South Africa, or of Manuel Chang who used accounts of companies based in Spain.

The list appended to this email (see Appendix III), contains the names of politically exposed Mozambican figures, headed by Armando Emílio Guebuza, his two sons Ndambi Guebuza and Mussumbuluco Guebuza, his advisors Edson Macuácuca (spokesperson), Renato Matusse (political advisor), and Marlene Magaia (press attaché). Also on the list are other figures, including Mozambican diplomats who were at the Mozambican diplomatic mission in the United Arab Emirates (UAE), at the time when the debts were contracted, namely the former ambassador of Mozambique in the UAE, Francisco Cigarro, the consul in Dubai, José Maneia, and diplomatic counsellor Riduane Adamo⁵.

Many of the people on the list were not charged by the Public Prosecutor's Office, now were they summoned to the court to testify, and so their role in the hidden debts remains to be clarified.

Facts contradict statements made by Armando Guebuza in court

In the two days when Armando Guebuza testified during the hidden debts trial, he said a great deal that is not in line with the known facts of the debts. One of these statements is that the project to protect Mozambique's Exclusive Economic Zone (ZEE) was designed by the Operational Command of the Defence and Security forces and Privinvest was hired to implement it. But the succession of facts contradicts the statements by Armando Guebuza.

The following derives from a text and document that CIP published in 2019 during the trial of Jean Boustani and shows how the ZEE project emerged, was negotiated, and was approved by the Mozambican government.

The project to protect Mozambique's Exclusive Economic Zone, financed by the hidden debts, was not designed by the Mozambican government. It was the creation of Abu Dhabi Mar, part of the Privinvest group, and was submitted to the then President of the Republic, Armando Guebuza, for approval. Privinvest designed a project called Exclusive Economic Zone (EEZ) Monitoring & Protection System and sent it to Armando Guebuza. Jean Boustani and Teófilo Nhangumele lobbied for Guebuza to approve the project. Guebuza's son, Armando Ndambi Guebuza, was then involved to convince his father to go ahead with the project.

The ZEE project was formally proposed on 31 December 2011, through a letter from Iskandar Safa sent to President Armando Guebuza, explaining the importance of the project to protect the Exclusive Economic Zone for the security of Mozambique and how it would be executed (see Appendix IV). Guebuza took time to approve the project and his son was asked to influence his father to accept the project.

By late April 2012, four months after receiving the ZEE proposal, Guebuza had still not approved the project. This led Jean Boustani and Teófilo Nhangumele to discuss how to deal with the matter. A visit by Boustani to Maputo was planned to promote the project with the Mozambican government. Teófilo Nhangumele asked for 5,000 dollars to facilitate the logistics of the trip. But Boustani was concerned about approval of the ZEE project. In an email dated 29 April 2012, Teófilo wrote that the project was at a level in which nothing could be interfered with.

“What input can we make when a project is on the desk of HoS (Head of State)? We cannot call him and ask what is going on”, wrote Nhangumele.

Shortly afterwards Boustani replied, agreeing that little could be done, but he suggested that Ndambi Guebuza could ask about the stage of the project, albeit informally.

⁵ Jornal de Angola (2019). “Guebuza mentioned in the case of the ‘hidden debts’”. Available at <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=440307> [Consulted on 25 February 2022]

“As for ZEE, I fully understand the situation, brother. You know best. Maybe the only person who could “informally ask him is Junior”, he wrote in an email (see Appendix V).

The Public Prosecutor’s Office has announced that there is an autonomous case to try other people involved in the hidden debts. So that responsibility should not be seen as selective, it is important that all those implicated should be summoned to explain in Court their involvement and what benefits they obtained from the hidden debts.

References

- Mozambique ‘tuna bond’ scandal almost twice big as thought – WSJ (2016, Zitamar News, available at <https://zitamar.com/mozambique-tuna-bond-scandal-almost-twice-big-thought-wsj/> [Consulted on 23 February 2022]
- <https://cipmoz.org/wp-content/uploads/2019/12/20191120-USA-v-Boustani-18CR681WFK-Trial.pdf>
- CIP (2019). Partido Frelimo recebeu 10 milhões de dólares das dívidas ocultas, available on <https://cip-moz.org/wp-content/uploads/2019/10/d%C3%ADvidas-ocultas-.pdf> [Consulted on 23 February 2022]
- Jornal de Angola (2019). “Guebuza mentioned in the case of the ‘hidden debts’”. Available at <https://www.jornaldeangola.ao/ao/noticias/detalhes.php?id=440307> [Consulted on 25 February 2022]

From: Jean Boustany <jean.boustany@
Sent: Tuesday, April 8, 2014 1:35 PM
To: najiallam@
Subject: Re: Invoice

125 for all for everything

Less: 60 still for A

Total is 65

Spread was:

A: 4 (on account)

Teo: 8.5

Bruno: 8.5

Chopstick: 7

Esalt: 3

Ros: 15

Ros 2: 1

Prof: 1

Euge: 1

Inro: 1

DG: 13

Nuy: 2 (which we did for the sms I sent you 10 days ago).

All is done except:

5 still for DG (which we will split 1.7 / 1.7 / 1.6).

And 2 for Esalt

From: Jean Boustany
Sent: Tuesday, 8 April 2014 4:46 PM
To: Najj Allam
Subject: Re: Invoice

You still have the paper I handed you in France ?

From: Jean Boustany
Sent: Tuesday, 8 April 2014 4:32 PM
To: Najj Allam
Subject: Re: Invoice



????

For Ematum !!

There must be a mistake.

There should be 2 for her.

From: Naji Allam
Sent: Tuesday, 8 April 2014 4:29 PM
To: Jean Boustany
Subject: Re: Invoice

Hi

With me Esalt is Zero

Naji Allam
naji.allam@

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This e-mail and the attachments hereto may contain privileged and/or confidential information and data. Any forwarding, distribution, reproduction or use of any nature of this e-mail by any non-intended recipient is strictly prohibited.

On Apr 8, 2014, at 2:42 PM, Jean Boustany <jean.boustany@> wrote:

Please let's do 1

Isalt (or esalt).

Her total is 2

We do only 1 for now please.

From: Manuel Jorge
Sent: Tuesday, 8 April 2014 3:31 PM
To: jean.boustany@
Subject: Fwd: Invoice

For 3 beijos
>

2

CONFIDENTIAL

DOJ0001566459

Extremely Confidential

From: Najj Allam [REDACTED]
To: Ayomin Senanayake [REDACTED]
Date: Thu, 13 Apr 2017 04:48:11 +0000
Attachments: Relevant persons list.docx (12.17 kB); Unnamed Attachment (4 bytes)

Good morning

Due to the sensitivity of the information i am using our personal accounts
I am attaching a document related to transfers made to "consultants" of Mozambique project
I need you check on the list the names where we did direct transfers to their names and send me from
which company/amount/date
There is an error in 15 it is Isidora Fartudo and i think we did directly
19 we did directly for sure
The others please check back to 2013 if we did directly not a company name or a lawyer or whatever
The information is extremely confidential so reply to this email

Thanks

GOVERNMENT
EXHIBIT
GX-3065
18 CR 681 (WFK)

ANNEX III

PRIVILEGED & CONFIDENTIAL

1. Armando Guebuza
2. Ndambi Guebuza
3. Mussunbuluco Guebuza
4. Edson Macuacua
5. Renato Matusse
6. Marlene Magaia
7. Carlos Simango
8. Neusa Matos
9. Carlos Pessane
10. Francisco Cigarro
11. Jose Maneia
12. Riduan Adamo
13. Angela Leao
14. Lizete Chang
15. Izidora Faztudo
16. Guilhermina Langa
17. Maria Gamito
18. Salvador Mula
19. Teofilo Nhangumele
20. Antonio do Rosario
21. Jociro Internacional





December 31, 2011

HE Mr. Armando Guebuza
President of the Republic of Mozambique
Avenida Julius Nyerere
1780, Maputo
Republic of Mozambique

Mr. President,

RE: Exclusive Economic Zone Monitoring & Protection System

Abu Dhabi MAR Group (ADM) is honored to propose for the Government of Mozambique an Exclusive Economic Zone (EEZ) Monitoring & Protection System.

ADM is honored to serve the Mozambique Government's requirement in protecting its valuable natural resources.

This turnkey solution is composed of four building blocks:

1. Planning & design,
2. Turn-key implementation & integration,
3. Training & coaching,
4. Maintenance & support

This method of operation will provide the Government of Mozambique an unparalleled EEZ Monitoring & Protection System.

This System will be implemented in two phases to enable a complete surveillance and control of activities within the EEZ territory of Mozambique.

ABU DHABI MAR LLC
PO BOX 107241
Abu Dhabi, United Arab Emirates
abudhabimargroup.com

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EXHIBIT
GX-2018-C
18 CR 681 (WFK)



With this in mind, I look forward to our meeting as soon as it is convenient for you to conclude and launch this project.

Sincerely,

A handwritten signature in black ink, appearing to read 'Iskandar Safa', with a vertical line extending downwards from the end of the signature.

Iskandar Safa
Chairman

From: Jean Boustany <jean.boustany@[REDACTED]>
Sent: Sunday, April 29, 2012 9:34 AM
To: 'Basetsana Thokoane'
Subject: FW: Visit

From: Jean Boustany [mailto:jean.boustany@[REDACTED]]
Sent: Sunday, April 29, 2012 12:33 PM
To: 'Teofilo Nhangumele'
Subject: RE: Visit

Good morning brother.

Ok. That is fine. I was just trying to find a solution to the 5,000 US\$ issue. Since you have told me we will need to "keep warmth" with the Gov Officials.

As for EEZ, I fully understand the situation brother. You know best. Maybe the only person who could "informally" ask him is Junior. I thought we will all meet to discuss it also together with Rosario and Junior.

Anyways, I just want you to know that Arnaud is a very dear friend and manages funds in excess of 1 billion US\$. So I want him to "hook" a couple of opportunities in Maputo, and then we will take it to the next stage. Which will include a "success fee" on signature. Especially that we are talking about mining, oil, and gas concessions.

From: Teofilo Nhangumele [mailto:teo.nhangumele@[REDACTED]]
Sent: Sunday, April 29, 2012 12:17 PM
To: jean.boustany@[REDACTED]
Subject: Re: Visit

Brother, good morning!

The EEZ project is at the level where we have no input whatsoever to make. What input can we make when a project is on the desk of HoS? We cannot call him an ask what is going on. We can not ask him to hurry up. I would like you to know that this trip you are going to make does not involve EEZ Project. It is important we clarify this so as to manage your expectations.

In relation of gifts and give aways, I suggest we are moderate as not to send the wrong signal to them. We need to project a good image of ourselves as well as create a good and lasting impression, but we do not want to make government officials feel like we are "bribing". I personally feel we should not give them expensive pens on a first visit ... lets create some relationship first, and then we will be in a position to make this kind of offers. A business card, a corporate gift, etc should be okay. Lets first demonstrate on the ground that we are willing to do something.

Well i hope all is fine.

Best regards

Teo

On Apr 28, 2012, at 8:56 AM, Jean Boustany wrote:

Ok sure brother,

And if my presence there will help expediting the process, I am ready to stay as much as needed.

For Arnaud, I feel it is excellent and appropriate if we bring "in kind" presents at this stage.

Let's stay expensive pens to be handed to the Directors as "thank you for your time". What do you think brother?

We will cover everything else in Maputo (restaurant...etc...).

From: Teofilo Nhangumele <teo.nhangumele@[REDACTED]>

Date: Sat, 28 Apr 2012 08:50:21 +0200

To: jean.boustany@[REDACTED]; jean.boustany@[REDACTED]

Subject: Re: Visit [REDACTED]

Brother,

I forgot to answer the last part of your question, about your coming. I am talking to Armando so that we can put together a separate programme for you, since you are a special visitor. I want Armando and Rosario to dedicate time to be with you, because you have been an exception to us. I am pushing for you to come. When you are around I will be able to give you more insight into the EEZ project delays. It has got nothing to do with payments. It is more to do with politics and processes.

I will give you feedback until Monday on this.

Best regards

Teo

Sent from my iPad

On 28 Apr 2012, at 8:18 AM, "Jean Boustany" <jean.boustany@[REDACTED]> wrote:

Ok brother I understand.

Brother, honestly. Is the same issue delaying EEZ ?

Or it is on a different scale ?

I will find a solution.

From: Teofilo Nhangumele <teo.nhangumele@[REDACTED]>

Date: Fri, 27 Apr 2012 16:49:10 +0200

To: Jean Boustany <jean.boustany@[REDACTED]>

Subject: Re: Visit

My brother,

On a very honest and serious note. Organizing this kind of program attracts cost, including the cost of maintaining the relationship with officials warm. These guys are our colleagues and friends, but time and again they have told me that those things do not buy them bread. Their business is not meeting people - they say.

I understand what you are saying, but we have been stranded many times and had to sit with the costs of facilitating the meetings. I am a broker my friend, and I have costs - I am being very honest with you.

At the moment we have no partnership with them. Even when we become partners there will still be need to share costs my brother. We do not have huge budgets - I hope you understand.

Give it a friendly thought.

Regards

Teo

On Apr 27, 2012, at 2:10 PM, Jean Boustany wrote:

Bro,

The 5K\$ is not a problem.

But Arnaud will not grasp the idea.

We will cover the costs of the visit for sure (hotel, taxis, restaurants, visas on arrival...etc...) anyways and as usual.

And since we will be partners in case there is a project which is taken to the "next stage", the non substantial operational costs should not matter between partners.

I don't want Arnaud to think that you are just facilitating a business, but on the contrary, being a partner based on your power in securing the "decision making".

Anyways, you decide bro how you want to drive this. I have no problem in any case.

Last issue: do you need me to be present on May 8th? I also have no problem to come.

Of course, if by that time we have the official ok for EEZ, then I will bring also the team of course.

Brother, by May 1st please, if still no ok, kindly email the bank to keep them "hooked".

From: Teofilo Nhangumele [mailto:teo.nhangumele@[REDACTED]]
Sent: Friday, April 27, 2012 2:42 PM
To: jean.boustany@[REDACTED]
Cc: Arnaud Lelouvie
Subject: Re: Visit

Brother,

It is fine... this is exactly what I wanted to know so that we shape up the expectations. I will organize two meetings with the National Director of Exploration at National Petroleum Institute and one at the National Directorate of Geology, perhaps another one with national director of the National Hydrocarbons Company.

These meetings should suffice to to give our potential investors a clear idea of the opportunities.

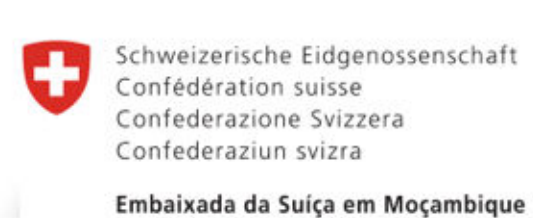
Well brother this will attract a token fee of \$5.000 and all logistics and programme costs will be met by us, namely:

Meeting venues



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Editorial Edition

Director: Edson Cortez

Author: Borges Nhamirre

Peer Review: Baltazar Fael

Language Review: Samuel Monjane

Propriety: Centro de Integridade Pública

Rua Fernão Melo e Castro,
Bairro da Sommerschild, nº 124
Tel: (+258) 21 499916 | Fax: (+258) 21 499917
Cel: (+258) 82 3016391
[f](#)@CIP.Mozambique [t](#)@CIPMoz
www.cipmoz.org | Maputo - Moçambique