

MOZAMBIQUE News reports & clippings

432 10 January 2019

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Chang remains in jail; hearing delayed to 18 Jan

At the request of defence lawyers, the hearing of Manuel Chang was adjourned until Friday 18 January at Kempton Park Magistrates Court, Johannesburg. It appears the defence will appeal to the high court over the arrest of Chang. The issue of bail continues to be debated, so Chang has been returned to jail, but to a private cell instead of one shared with other prisoners.

The bail argument is over the level of the offence. Schedules 5, 6, and 7 are the most serious - murder, violence, and large thefts and fraud. (<https://www.yambu.co.za/bail-application/>) Police can grant bail for lower level offences, but a court grants bail for higher levels. The magistrate says the offence is schedule 5. At Schedule 5, bail is not automatic and it remains with the defence to justify bail. The prosecution will argue that as Chang is accused by the US of obtaining \$12 mn in bribes, so he has resources, thus the bail must be high and conditions strict.

The arrest debate is complicated. The US requested his arrest pending the submission of an arrest warrant. Chang's South Africa defence lawyers argue this is not adequate, but the magistrate has agreed with the prosecution that this is precisely as specified in the extradition agreement with the US. The US now has 60 days to file the full extradition demand.

Meanwhile Mozambique has now charged Chang. Mozambique will now oppose his extradition on two grounds. First, that he is a Mozambican diplomatic passport holder. (*Noticias* 10 Jan) Second that he should first be tried inside Mozambique, according to Rick Messick, a lawyer specialising in anti-corruption and a former Chief Counsel to the United States Senate Committee on Foreign Relations, in his Global Anti-Corruption blog. He adds no one "believes the current government of Mozambique would actually put Chang on trial, actually try to convict him if it did, and really seize his assets if he were convicted." See *Zitamar* 10 Jan and

<https://globalanticorruptionblog.com/2019/01/09/the-promise-and-risk-of-internationalizing-the-corruption-fight-prosecuting-the-mozambique-loan-fraud/>

Mozambique names its accused

The attorney general's office (PRG, Procuradoria-Geral da República) has named 17 people, including Chang and former central bank governor Ernesto Gove, who it says should face financial penalties for their part in the \$2.2 bn secret debt. The list was published in *Noticias* this morning. (*Zitamar*, *Noticias* 10 Jan)

The PGR called for Mozambique's Audit Court (Tribunal Administrativo, TA) to hold the list of people "financially responsible" for the deals. It made the same call to the TA in January 2018 – but now it has also made the list of the accused public. (*Zitamar* 10 Jan) Thus the PRG seems not to be proposing criminal charges (as in the US), but only financial penalties. The TA already found in 2017 that the sovereign guarantees for the loans were granted illegally.

Details of the PGR's case published in *Notícias* today say that there was abuse of public funds in: making undue payments; in capitalising the companies; financing projects which had not been subject to public tender; signing contracts without TA approval; using the proceeds of the financing for things other than the projects; and not cooperating fully with the Kroll forensic audit of the three companies.

The accused include directors of all three companies - MAM, Prindicus, and Ematum - that are owned by the state and controlled by the security services, SISE, and took out the loans. The full list of the accused as published by *Notícias* and *Zitamar* (with some names repeated in different lists):

For involvement in authorisation of the guarantees:

Manuel Chang (then finance minister)
Ernesto Gove (then central bank governor)
Maria Isaltina Lucas (then head of treasury at Ministry of Finance who approved the illegal loan guarantees, now vice-minister of finance and EMATUM director)
Piedade Macamo (deputy head of treasury at Ministry of Finance)
Gregorio Leao (then head of SISE)
Antonio Carlos do Rosário (SISE official heading up the three companies)

For simultaneously holding public office and being in the companies benefiting from the loans:

Antonio Carlos do Rosário
Maria Isaltina Lucas
Henrique Alvaro Cepeda Gamito (Ministry of Finance advisor and EMATUM director)

For their involvement in managing funds with illegal guarantees:

Victor Bernardo (ProIndicus chairman)
Eugenio Henrique Zitha Matlaba (ProIndicus director)
Raufo Ismael Ira (ProIndicus director)
Antonio Carlos do Rosário (ProIndicus director)
Jose Manuel Gopo (ProIndicus director)
Antonio Carlos do Rosário
Maria Isaltina Lucas
Ivone Lichucha (EMATUM director)
Agi Anlaue (EMATUM director)
Felisberto Manuel (EMATUM chief executive)
Herminio Lima Alberto Tembe (EMATUM director)
Henrique Alvaro Cepeda Gamito
Cristina Alice Valente Matavel (EMATUM director)
Nazir Felizardo Passades Aboobacar (MAM director)
Raufo Ismael Ira (MAM director)
Agi Anlaue (MAM director)

Other corruption charges - Taipo and Chang

Carta de Moçambique (9, 10 Jan) reports movement on two other corruption cases. It says that Chang as well as former Transport Minister Paulo Zucula have been charged with receiving bribes from the Brazilian construction company Odebrecht for the construction of the almost totally unused \$125 mn Nacala airport. Information was supplied by Odebrecht as part of its deals with authorities in Brazil as part of the much larger "car wash" investigation.

The case of Helena Taipo, former Labour Minister and now ambassador to Angola, will be sent to court soon, *Carta* reports. She is charged with receiving most of \$1.7 mn taken from the National Social Security Institute (Instituto Nacional de Segurança Social, INSS) as kickbacks on contracts when she was minister. INSS is under the Ministry of Labour.

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Background reading

Special reports

Mozambique heroin transit trade

English - LSE - <http://bit.ly/Moz-heroin>

Portuguese - Pt - CIP - <http://bit.ly/Moz-heroina>

Gas for development?

Gas_for_development_or_just_for_money?_2015 bit.ly/MozGasEng

Gás_para_desenvolvimento_ou_apenas_dinheiro?_2015 bit.ly/MozGasPt

Social protection report - 2017 Mozambique - <http://bit.ly/MozSocPro>

Special report on four poverty surveys: bit.ly/MozPoverty

2018 Constitution - <http://bit.ly/2KF588T>

Minimum wage and exchange rates 1996-2018 -- <http://bit.ly/MinWage18>

\$2bn secret debt - in English

Kroll - Full report on \$2bn debt - <http://bit.ly/Kroll-Moz-full>

Kroll report summary - <http://bit.ly/Kroll-sum>

Key points of Mozambique parliament report - Nov 2016 - <http://bit.ly/MozAR-debt-En>

Following the donor-designed path to Mozambique's \$2.2 bn debt - <http://bit.ly/3WQ-hanlon>

In Portuguese:

Parliamentary Report on the Secret Debt (complete) bit.ly/MozAR-debt

Election study collaboration: We have detailed election data from 1999 through 2014 and are inviting scholars to use this data collaboratively. <http://bit.ly/MozEIData>

Election newsletters are on <http://bit.ly/2H066Kg>

Eight books by Joseph Hanlon can be downloaded, free: <http://bit.ly/Hanlon-books>

Bangladesh confronts climate change (2016)

Chickens and beer: A recipe for agricultural growth in Mozambique (2014)

Há Mais Bicycletas – mas há desenvolvimento? (2008)

Moçambique e as grandes cheias de 2000 (2001)

Paz Sem Benefício: Como o FMI Bloqueia a Reconstrução (1997)

Peace Without Profit: How the IMF Blocks Rebuilding (1996)

Mozambique: Who Calls the Shots (1991)

Mozambique: The Revolution Under Fire (1984)

Two more will be available shortly to download:

Apartheid's 2nd Front (1986)

Mozambique and the Great Flood of 2000

These are still available for sale:

Galinhas e cerveja: uma receita para o crescimento (2014) (free in English)

Zimbabwe takes back its land (2013)

Just Give Money to the Poor: The Development Revolution from the Global South (2010)

Do bicycles equal development in Mozambique? (2008) (free in Portuguese)

Beggar Your Neighbours: Apartheid Power in Southern Africa (1986)

Mozambique media websites, Portuguese:

Notícias: www.jornalnoticias.co.mz

O País: www.opais.co.mz

@Verdade: <http://www.verdade.co.mz>

Carlos Serra Diário de um sociólogo: <http://oficinadesociologia.blogspot.com>

Mozambique media websites, English:

Club of Mozambique: <http://clubofmozambique.com/>

Zitamar: <http://zitamar.com/>

Macauhub English: <http://www.macauhub.com.mo/en/>

AIM Reports: www.poptel.org.uk/mozambique-news

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