

MOZAMBIQUE News reports & clippings

438 15 February 2019

Editor: Joseph Hanlon (j.hanlon@open.ac.uk)

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Five arrests and one dismissal in secret debt case

Five of the key people in the secret debt case were arrested yesterday and are being held in preventive detention. They are:

+ **Gregório Leão** - director general of the security services, SISE, at the time of the secret debt.

+ **António Carlos Rosário** - head of economic intelligence for SISE and head of the three SISE companies that contracted the loans - Proindicus, MAM and Ematum.

+ **Inês Moiane** - personal secretary to then President Armando Guebuza.

+ **Teófilo Nhangumele** - said to be the local fixer who organised the loans on the Mozambican side. (see this newsletter 431, 9 Jan)

+ **Bruno Tandane** - identified by *Carta do Dia* (15 Feb) as a member of SISE and an old friend and business partner of Armando Guebuza's son Armando Ndambi. *Carta* calls him "a frequent guest of the then presidential family." *Carta* adds that he recently married "with grand pomp and inordinate circumstance" with Teófilo Nhangumele as best man. He went on trips to France accompanied by Guebuza's sons Ndambi and Mussumbuluko as part of the Ematum fishing boats deal. His uncle Júlio Tandane manages some of the Guebuza businesses, says *Carta*.

According to *Carta*, Leão, Rosário and Moiana are accused for receiving millions of dollars directly from Prinvest and using the money to buy luxury apartments in Maputo and abroad.

The United States has charged three people in the case. Former Finance Minister Manuel Chang, currently be held in South Africa pending an extradition hearing, and two others so far unnamed. The Public Integrity Centre (CIP) has named them as Rosário and Nhangumele

The five were part of the 20 named as "arguidos" (formally accused but not yet charged, in the Mozambican/Portuguese legal system) by the public prosecutor a year ago. They were arrested yesterday (Thursday 14 Feb) and can be held for 48 hours before being brought before a magistrate. Two luxury cars of Nhangumele were also seized.

Deputy Finance Minister Isaltina Lucas fired

Deputy Finance Minister Maria Isaltina Lucas was fired on 7 February. She had been director of treasury and improperly signed some of the secret loan guarantees. She is said to be very knowledgeable about the secret debt, was promoted to be deputy minister, and was part of the team that negotiated with the IMF.

The US indictment cites three un-named "co-conspirators" who are not charged, and who are assumed to have reached a deal with US authorities in exchange for cooperation and information. Only limited information is provided on the first two "co-conspirators" but the third co-conspirator is identified as an employee of the Ministry of Finance who was also a director of Ematum. CIP says only Henrique Gamito and Maria Isaltina Lucas satisfy that. Henrique Gamito signed the Ematum loan agreement and is brother of Hermenegildo Gamito, president of the Constitutional Council.

Chang denied bail

Manuel Chang was denied bail this morning, in part for failing to give full financial details to the court. His next court hearing, in Kempton Park, Johannesburg, will be Tuesday 26 February, and it will be the first hearing on the US application for his extradition. It is not clear if the later Mozambican extradition request will be heard at the same time.

In South Africa, bail and extradition hearings are taken by separate specialist magistrates. In a ruling that took two hours to read, judge Sagra Subroyen said that in October 2018 Chang went to Portugal yet the bank statements given to the judge did not show any payments for tickets, hotel, food, etc. Thus, she said, "we must assume that Chang has other bank accounts or sources of income not revealed to the court." Thus there was no guarantee that he would not jump bail and flee to Mozambique.

She found Chang to be sly, dishonest and unwilling to cooperate, "playing his cards close to his chest". Even though he is a former finance minister, his omissions and contradictions show he is not a trustworthy person. He portrayed himself as having a low income, yet his foreign travel and "lavish" lifestyle which did not appear on bank statements and credit card bills suggested that he had access to suspect money. Subroyen noted that he is accused in the US of receiving \$15 mn in bribes, yet his lawyer, Rudi Krause had suggested bail should be set at \$14,000, which she called "peanuts".

Krause said he would appeal to the Supreme Court. ([facebook: Centro de Integridade Publica](https://facebook.com/Centro de Integridade Publica); <https://cartamz.com/index.php/politica/item/1029-manuel-chang-regressa-aos-calaboucos-e-rudi-krause-garante-que-vai-recorrer-ao-supreme-court>)

Other news

France and the US continue to spar over the Mozambique Channel. In the middle of the big US maritime exercise in the Channel, France sent a surveillance frigate from Reunion to Maputo 5-9 February. This was the first visit of a French navy frigate since 2004, but part of both the US and France suddenly pushing for dominance off the coast of Mozambique.

Renamo peace talks moved forward on 8 February when three Renamo military officials who had been given temporary posts as directors had those appointments made permanent. And the group which is overseeing integration of Renamo guerrillas into the government army has decided to meet weekly to speed up the process.

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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 Bicicletas – 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)

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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://oficinasociologia.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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