

# MOZAMBIQUE 427

## News reports & clippings

### 3 January 2019

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## Chang to fight extradition; secret debt link confirmed

Ex-Finance Minister Manuel Chang will oppose extradition to the US, his lawyer Rudi Krause told Bloomberg yesterday. Krause also confirmed that the indictment from the US Department of Justice against Chang details charges linked to the \$2.2 bn secret debt. Chang is charged with money laundering and "wire fraud", effectively improper electronic fund transfers. Chang was arrested Saturday 29 December in transit to Dubai and appeared in court only to confirm his identity. His next appearance will be in Kempton Park court on Tuesday 8 January.

In an additional report this morning, Bloomberg quotes Krause to say "Chang was arrested at OR Tambo International Airport in Johannesburg, while en route to Dubai. South African authorities had told him to clear immigration when his plane landed from Maputo, Mozambique's capital, Krause said. That isn't normal procedure when passengers are in transit, and Chang was arrested after going through immigration, he added." Officials "secured his entry into South Africa by way of deception," Krause added, <https://www.bloomberg.com/news/articles/2019-01-02/mozambique-ex-finance-minister-to-fight-u-s-extradition-request>

This contradicts the report by Marcelo Mosse in *Carta de Moçambique* that he had left the airport and gone to Pretoria between planes.

Krause is a director of BDK Attorneys in Johannesburg, best known for his defence of the Zuma and Gupta families.

Parts of Frelimo are highly agitated about the arrest and it is reliably reported that former President Armando Guebuza met with Frelimo allies in the past few days to discuss the crisis. Gustavo Mavie on his Facebook page has jumped to Chang's defence, saying the detention is illegal and comparing it to the similar recent detention in Canada on a US warrant of Meng Wanzhou, the CEO of Chinese electronic giant Huawei. He goes on to cite the US fabricating evidence, such as weapons of mass destruction in Iraq in 2003. Mavie claims the real reason for the arrest is to force "regime change" in Mozambique.

Wild reports are circulating in Maputo, and there is even a fake news Facebook page.

There are totally unconfirmed claims of further US arrest warrants. *Canal de Moçambique* yesterday said there are warrants for the two security service people (SISE) linked to the secret debt.

## **Comment:** **Deals and allies**

Cyril Ramaphosa took over as President of South Africa on 15 February 2018 after Jacob Zuma was forced to resign following numerous corruption allegations and complaints about his links to the Gupta family. This has left a divided African National Congress (ANC). Frelimo is similarly divided over the secret debt and widespread corruption which took place during the administration of Armando Guebuza, but so far Frelimo has protected those tainted by involvement in the secret debt. Zuma was in Maputo during the ANC's liberation war and has good contacts in the Frelimo leadership.

The choice of Rudi Krause, the man who defended the Gupta and Zuma families, as the lawyer for Chang suggests that the Guebuza faction of Frelimo is looking for support from the Zuma faction in the ANC to bring political pressure to block the extradition of Chang.

But Ramaphosa became president on an anti-corruption platform, so would be unwilling to be seen supporting those involved in Mozambique's secret debt. And South African courts are unlikely to resist a US arrest warrant. Nevertheless, legal manoeuvres by a skilful lawyer like Krause and political manipulation by the Zuma faction in the ANC could spin out extradition hearings for some time - and they may hope to keep Chang in South Africa until after the October presidential election in Mozambique

The US has gone after Chang because he is probably the best informed about the financial transactions around the secret debt and could provide evidence against bigger fish, perhaps including Guebuza. So the US will want to negotiate a deal with him. With no deal, Chang could spend the rest of his life in US jail. The two sides will want an agreement which involves maximum information and minimum punishment.

Meanwhile Chang has reason to feel nervous. The last major bank scandal was in 1995-2001 when at least \$400 mn was stolen from the banking system. Three people believed to be about to reveal detailed of the corruption were killed - Managing Director of BIM, José Alberto de Lima Félix; Passarinho Fumo, manager of a BCM branch; and António Siba-Siba Macuácuá, Bank of Mozambique director of banking supervision who had been named president of Banco Austral to clean up the mess. There were no prosecutions, even of suspected culprits, and senior Frelimo people were protected. It would not be surprising of Chang felt safer in the US. *jh*

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### 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](http://bit.ly/MozGasEng)

Gás\_para\_desenvolvimento\_ou\_apenas\_dinheiro?\_2015 [bit.ly/MozGasPt](http://bit.ly/MozGasPt)

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

Special report on four poverty surveys: [bit.ly/MozPoverty](http://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](http://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>

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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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