

MOZAMBIQUE 428

News reports & clippings

4 January 2019

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3 ex Credit Suisse bankers & Privinvest executive arrested over secret loans

Three former Credit Suisse bankers were arrested in London yesterday and a Privinvest executive was arrested in New York on charges linked to the secret \$2.2 bn loans to Mozambique, Reuter reported last night. This is linked to the arrest in Johannesburg of former finance minister Manuel Chang. <https://www.reuters.com/article/us-mozambique-credit-suisse-charges/ex-credit-suisse-bankers-arrested-on-u-s-charges-over-mozambique-loans-idUSKCN1OX1WT>

The loans were organised by Credit Suisse (CS) but the money was paid directly to an Abu Dhabi company, Privinvest. Andrew Pearse helped to arrange the loans, then left to form a company Palomar jointly owned with Privinvest.

Arrested in London yesterday were the three ex-CS employees, Andrew Pearse, 49; Surjan Singh, 44; and Detelina Subeva, 37, who have been released on bail. Arrested in New York is Jean Boustani, a Privinvest executive.

The indictment alleges that the three Mozambican companies ostensibly receiving the loans were really "fronts" for Chang, Boustani and the three bankers to enrich themselves. Prosecutors said at least \$200 million was diverted to the defendants and other Mozambican government officials. They said the defendants concealed the misuse of the funds and misled investors abroad including in the United States about Mozambique's creditworthiness.

Chang signed government guarantees for the loans which were not valid because they had not been approved by parliament.

"The indictment alleges that the former employees worked to defeat the banks internal

controls, acted out of a motive of personal profit, and sought to hide these activities from the bank," Credit Suisse said in a statement to Reuters.

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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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