

DAY XII OF THE "HIDDEN DEBTS" SCANDAL TRIAL

Former Guebuza political adviser says he received assets worth USD1,600,000 after telling Jean Boustani about his difficulties

- In the defendant's account heard by the court yesterday, the Lebanese citizen Jean Boustani can only be a generous man. Even without knowledge of Boustani's possible philanthropic actions, the defendant Renato Matusse spoke to him of his financial difficulties and his friend offered to help. The President of the Republic Armando Guebuza's political advisor identified two houses (a flat and a villa) at Julius Nyerere Avenue and two new cars, he sent the bank accounts of the respective sellers to his friend Boustani, who made the payments totalling USD1,660,000.



Renato Matusse

- Even though he was aware that he bought houses and cars with money donated by his friend Boustani, even though he was aware that the donation did not come from the Mozambican public treasury. The defendant Renato Matusse said that when the press started talking about the people involved in the “hidden debts” case, he went to the Attorney General Office to explain himself and discuss a possibility to reimburse the State, if should it be held that there was any damage.
- Despite being copied on emails related to the ProIndicus project sent by Boustani to several people, Renato Matusse denies any involvement in the exclusive economic zone protection project and says he had no competence to influence its approval by the Head of State. He admitted that he did not make it clear to Boustani that he had no power to influence the President of the Republic in approving the project, because he was not interested in breaking the relationship he had with Lebanese friend.

Renato Matusse, 63, then political affairs advisor to the President of the Republic Armando Guebuza, is the eighth defendant to be questioned by the court trying the “hidden debts” case, the biggest financial scandal in Mozambique’s history. The Public Prosecutor indicts the defendant of receiving money worth USD2 million from Privinvest for facilitating the pursuit of that business group’s interests in Mozambique. He is being charged with three (3) crimes, namely embezzlement, influence trafficking and money laundering.

During the Friday’s hearing, Renato Matusse denied receiving money from the Privinvest group and of acting as a facilitator of its interests in Mozambique. He confirmed that he received movable and immovable property (houses and cars) worth USD1,660,000 from Jean Boustani. He denied that it was a bribe. “In the conversation we had I ended up talking about my difficulties and needs and he ended up giving me his support. I won’t elaborate because it’s a private matter, but the fact is that I had difficulties and he responded to those difficulties,” he explained. However, when asked if he knew of any philanthropic actions by Jean Boustani that would justify his request for help, the defendant replied in the negative.

The political adviser to the former President of the Republic said that at his request, Jean Boustani transferred the money directly to the accounts of the sellers of movable and immovable property. “We agreed that I would indicate the bank accounts of the people from whom I was going to buy the movable and immovable goods. It was a matter of convenience for me that the money was transferred straight to the accounts of the sellers of the goods.” Thus, USD450,000 was transferred to Neusa de Matos’ account relating to the purchase of a flat located at Julius Nyerere Avenue, No. 794, 5th floor right; USD1,100,000 to Isidora Faztudo’s account regarding

the purchase of a villa located at the Coca-Cola Condominium, at Julius Nyerere Avenue, no. 4182, house no. 1; USD65,000 to Toyota de Moçambique regarding the purchase of a Toyota Hilux, model KUN-26R-PR-3.0D; and USD53,000 to Somotor regarding the purchase of a Hyundai vehicle, model IX355L.

Questioned whether he had informed the sellers of the goods of the source of the money, the defendant replied in the negative. The Public Prosecutor confronted him

with the statements made by a saleswoman, namely Neusa de Matos, according to which Renato Matusse have told her that the money for the purchase of the flat came from the sale of his copyrights of books published in London. The defendant denied giving this information and said that there was no need to talk about the source of the funds because that was not the matter. Asked whose initiative it was to transfer the money from the purchase of the flat to Neusa de Matos’ account domiciled abroad (Portugal), Renato Matusse replied that it was the seller’s one.

The Public Prosecutor confronted the defendant with bank data showing that Privinvest transferred an additional USD150,000 to Neusa de Matos, in addition to the USD450,000 for the flat payment. The defendant explained that Jean Boustani made an accounting error by transferring an extra amount. “When she realised this, she transferred the USD150,000 to me and I sent it to Isidora Faztudo to complete the payment for the villa.” The Public Prosecutor asked why the amount was not returned its origin, to which the defendant replied that he thought it was better that the money was transferred to his account, since it was already in Mozambique.

Asked about the reasons for selling it, he replied as follows: “I sold my house because in that area prices were going down due to the emergence of new buildings that had more modern, functional flats at very competitive prices.” The defendant said that the amount of nine million meticaïs was paid to him in cash and that he later gave the Attorney General Office the bank statement reflecting the amount. The Public Prosecutor found it unusual, considering that Fanuel Paunde is the same person who handled all the paperwork for the purchase of Renato Matusse’s vehicles. Asked about the type of relationship that he has with Fanuel Paunde, the defendant said that he was a friend.

“In the conversation we had I ended up talking about my difficulties and needs and he ended up giving me his support. I won’t elaborate because it’s a private matter, but the fact is that I had difficulties and he responded to those difficulties”

Renato Matusse said that his friendship with Jean Boustani helped Mozambique to penetrate the Middle East

Renato Matusse said he met Jean Boustani between late February and early March 2013 during an audience he had at the Presidency of the Republic. Questioned about the content of the audience, he said that "it was a courtesy meeting, without content". He added that it was normal at the Presidency for Mozambicans and foreigners to appear for a courtesy session. "At the end of the audience, I spoke with Boustani because he was a person who showed great ability to penetrate the Middle East and had experience of working to gather information. I found him an asset who could help us penetrate Middle Eastern countries. We didn't talk about his company and Prinvest is a name that is not familiar to me".

Asked through whom Boustani had the meeting with the President of the Republic, he said he did not know. "I was only used to be invited to the audiences and sometimes I would go without knowing who the person who would be welcome was." To the Prosecutor's question whether he had relations of trust with Jean Boustani, the defendant preferred to use the expression "friendly relationships"; a friendship that arose from his interest as a political adviser to the President of the Republic in achieving greater penetration of Mozambique in the Middle East. "When he introduced himself and we started talking about the interest we had in penetrating further in the Middle East, he seemed to me a person who could be useful. This type of person is not to be thrown away. He is a very ease person, very opened".

Renato Matusse said the President was not aware of his friendly relationship with Boustani. "All the President wanted was the results and not the processes." As a result of his relationship with Boustani and other non-state actors, the defendant said he influenced Mozambique's penetration into the Middle East. He also mentioned, as examples, the conclusion of contracts with three airlines, namely Emirates Airlines, Etihad Airways and Ras Al Khaimah; the opening of the Mozambican Embassy in Abu Dhabi (previously there was only a consulate in Dubai); the opening of the Mozambican Embassy in Riyadh (Saudi Arabia); the establishment of the Dubai Chamber of Commerce in Mozambique (the third in Africa) and Mozambique's moving from participant to voting member of the International Exhibition Organization.

The defendant was questioned in relation to Boustani's proposal to fund a book on the legacy of the President of the Republic.



Renato Matusse

He gave the following answer: "They came with the purpose of doing public relations for Mozambique in France, where the President was preparing to pay an official visit. The second purpose was to produce a book on the legacy of the President. For that book, two senior and retired executives from the French press were presented:

one had been President of the PSG club and the other had been Editor-in-Chief of a French television channel. The production of the book had the President's approval and would be financed by Jean Boustani. The resource issue was not up to us, we just wanted the product. The budget had not been defined yet".

“I had no power or competence to influence the Head of State in relation to that project”



Renato Matusse with his lawyer Prof. Dr. Teodoro Waty

When asked if he knew Iskandar Safa, he said he met him in March 2013 during an official visit to the United Arab Emirates and later on his visit to France. “These were official visits to strengthen ties of friendship and cooperation.” Asked if he has ever had any contact with Andrew Pearse, a senior manager at Credit Suisse bank, he said never and he doesn’t know him. “I only saw that name in an email in which I was copied”. And the prosecutor asked another question: “Were you or were you not involved in the discussions about the USD200 million increase for ProIndicus that ended up being USD250 million.” The defendant’s answer was no. “I remember that I was copied on an email about that discussion because Jean Boustani, I believe, was under the impression that I was the mailbox of the President of the Republic”.

Renato Matusse denied any involvement in the exclusive economic zone protection project. “I had no power or competence to influence the Head of State in relation to that project.” The public prosecutor’s

question was, “Did you ever make it clear to Jean Boustani and the others that you had no influence whatsoever?” The answer was no. And he justified: “I was not interested in breaking the relationship I had with Boustani because it was a useful one.” The defendant further explained that he could not produce an opinion on ProIndicus project because it was a technical project. “I had no technical expertise or skills to issue an opinion on the project or influence its approval. I was preparing opinions on matters within my responsibility, matters within my competence. I had no way of preparing opinions on defence and security matters because they were not matters within my sphere.

The Public Prosecutor, Ana Sheila Marren-gula, asked the him if in his conversations with Boustani he did not talk about the exclusive economic zone protection project “Jean Boustani talked about the interest that the Middle East countries had for Mozambique to be safe because they feared the expansion of terrorism. I spoke to

Boustani about general issues and we never discussed the exclusive economic zone protection project”.

In his initial statements, Renato Matusse said he voluntarily went to the Attorney General Office to present the list of goods he bought with the money donated by Jean Boustani. The lawyer Alexandre Chivale questioned what the motivation was: “I went to the Attorney General Office because I realized that this matter was being hyped in the press and I thought I should go there to explain myself and seek a possibility to reimburse the State if it was found that there was any damage.” Chivale asked the defendant if his name was also mentioned in the press, to which he replied that no. “But I knew that I had had a relationship with the person who was being talked about in the press at that time.” The defendant said he did not receive public funds, but he opened the possibility of reimbursing the State should the discussion at the Attorney General office determined that there was a breach of the law.



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