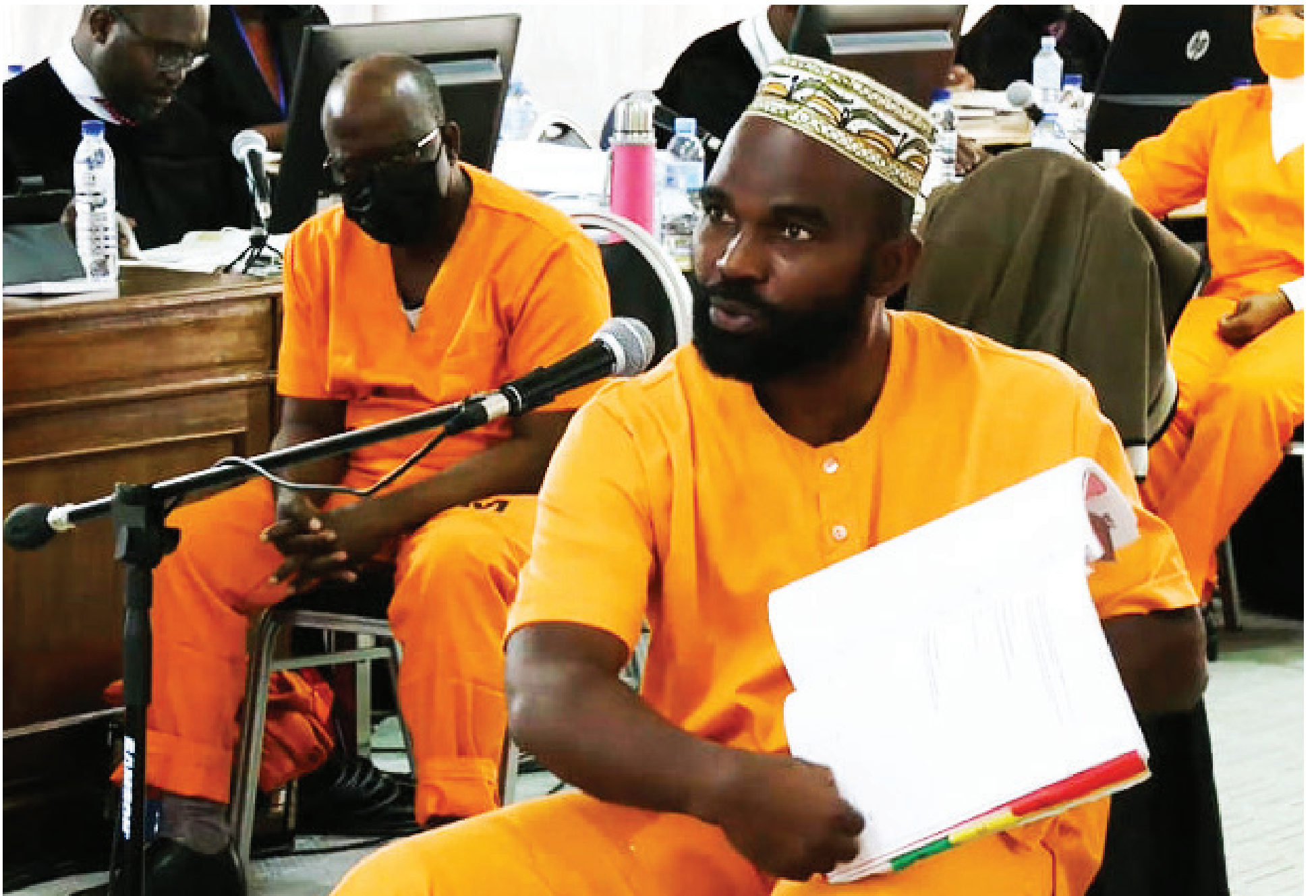


DAY XXX OF THE "HIDDEN DEBTS" SCANDAL TRIAL

## António Carlos do Rosário questions why Filipe Nyusi is not being called and the judge replies that the trial is still ongoing

- Tired of hearing the court trying to protect the name of the current President of the Republic, Filipe Nyusi, at the time of the facts Minister of National Defense and in that capacity Coordinator of the Operational Command, António Carlos do Rosário exploded: "If the idea is to call people, why don't we call the then Coordinator of the Operational Command to come and give explanations. The then Minister of National Defense, as we had already requested". And the then Minister of National Defense and Coordinator of the Operational Command is the current President of the Republic, Filipe Nyusi.





Judge Efigénio Baptista was embarrassed and warned the defendant: “You like asking questions to the court”. António Carlos do Rosário apologised, but the judge replied to the questioning: “You have already asked (questions), but the court will answer. Because if the court doesn’t answer it will look like it is covering up for the person. I never had that objective and I don’t.”

And then the court’s long reply came: “You are saying that the person who was present in the Operational Command when the current President of the Republic made those decisions was Mr Gregório Leão and you, naturally if there was someone else outside this circle it would make perfect sense to confront different opinions. That is the opinion of the court. If you said that this happened at the Operational Command and all the members were there, the defendant, the Director of SISE, the Minister of the Interior, Mr Alberto Mondlane, then we would hear everyone. When you say that the other members were not there when you decided this and that the decision was taken by you, Gregório Leão and President Nyusi, the defendant and co-defendant Gregório Leão are on the same line in this trial. President Nyusi is missing. Now we are finding that, in fact, someone is mis-

sing. That is the opinion of the court and the trial is still going on, it is still a child,” the judge said, leaving the idea that there is still room for the court to hear Filipe Nyusi.

Since his hearing began, António Carlos do Rosário has always conveyed the idea that most of the decisions taken within the project of monitoring and protection of the Exclusive Economic Zone of Mozambique and ProIndicus, EMATUM and MAM companies resulted from verbal instructions given by the then Minister of National Defense, as the Coordinator of the Operational Command. The defendant explained that the instructions were verbal because there was a need to avoid leakage of sensitive information. And the meetings of the Operational Command where these verbal instructions were given were attended by only three members, namely the Coordinator (Filipe Nyusi), the SISE General Director (Gregório Leão) and the Economic Intelligence National Director (António Carlos do Rosário). According to the explanation given, whenever it was to deal with operational issues, not all members of the Operational Command attended the meetings, thus justifying the absence of the then Interior Minister, Alberto Mondlane.

On the sixth day of the hearing of An-

tónio Carlos do Rosário, the questioning continues to be conducted by the Public Prosecutor, which had already warned on the first day that it had more than 200 questions for the former Economic Intelligence National Director. The first question of the day was related to an email allegedly sent by António Carlos do Rosário to Armando Ndambi Guebuza, addressing a matter about EMATUM, in May 2015. The defendant denied that he sent email to the son of the former President of the Republic. “In 2015 EMATUM was already operating and I do not see with what interest I would send email to Armando Ndambi Guebuza, at a time when his father was no longer President of the Republic. The email that appears in the files is mine, but I never sent anything to Armando and I never used personal email to deal with professional matters”.

When asked if he was aware of the Mozambique EMATUM Finance 2020 B.V Company based in the Netherlands, involved in making possible the financing of EMATUM, in the amount of USD 850 million, the defendant said he could no longer remember. To the question whether there is any relationship between Mozambican EMATUM SA and Mozambique EMATUM Finance 2020 B.V, he replied negatively. Asked why it was not António



Carlos do Rosário who requested the issuance of the USD 850 million guarantee from Finance Minister Manuel Chang, in favour of EMATUM, he said that he acted on the instructions of the then Coordinator of the Operational Command, Filipe Nyusi.

Once again, the defendant said that the instructions were verbal and were given at an Operational Command meeting in which Coordinator Filipe Nyusi, Gregório Leão and António Carlos do Rosário were present. On the difference between the amounts contained in the USD 850 million

financing contract and USD 785.4 million supply contract, the defendant reacted in the following terms: "Part of the financing amount was retained by the banks. These are the fees that the banks charge. The supplier received the amount to produce and supply the solution we requested in full."

## “MAM would render enough revenue to pay for the amount of the so-called hidden debts”

On MAM, the defendant was asked about the motivations for setting up the company. "It originated from the need to ensure that the ProIndicus and EMATUM assets would not turn into scrap after a year of operations. Secondly, MAM was created because there was a growing business opportunity, a potential market for providing services to various merchant navy operators who demand shipyards from neighbouring countries, and industrial operators in various fields of activity. MAM was the cash cow of SIMP (Integrated Monitoring and Protection System), as it was able to generate more revenue and come to the rescue of the other two companies (ProIndicus and EMATUM) to service the debt. MAM was going to generate enough revenue to pay the amount of the so-called hidden debts that belonged to the companies, but this Government transformed them into State debts. In two years' time, MAM would pay that off".

On the composition of MAM's shareholding structure, the defendant again cited the name of the Coordinator of the Joint Command as the person who made the decision. "I don't remember the dates, but it was in his office. "Asked whether the MAM shareholders, namely ProIndicus and EMATUM, paid up the share capital in cash, the defendant said he did not remember. The Public Prosecutor questioned how he explains that MAM was a security-related company given its corporate purpose, to which the defendant replied that the idea was exactly to hide that it was from the Defense and Security Forces. "But from the composition of the shareholder structure, where we there are security companies, it is possible to note that MAM is linked to Defense and Security".

Asked what justified the creation of Maputo Shipyard, 100% owned by MAM and with the same corporate purpose, the defendant explained that it was a way to create conditions for the new company to be accepted by customers since the



parent company was embroiled in the "hidden debt racket". "I hope that the people who are listening to this will not harm Maputo Shipyard." The contract for the supply of goods and services signed between ProIndicus and the Privinvest group provided for a dual-purpose vessel (Africa Storm), two shipyards (Maputo and Pemba), 18 speedboats and services. Asked to talk about the specifications of the 18 speedboats, the defendant said they were not included in the supply contract on the grounds that it was a State secret. "We delivered the speedboats to the Ministry of National Defense. The contract was a turnkey type and it was the Coordinator of the Operational Command who decided." When asked how to ascertain that the prices of each means procured by MAM were not inflated by the supplier, the defendant said they never bothered because they were looking for an integrated solution.

Confronted with a letter signed by the then SISE General Director Gregório Leão and addressed to the then Minister

of Finance, Manuel Chang, requesting the issuance of a guarantee worth USD 750 million in favour of Palomar Capital Advisors, to submit to the Russian bank VTB, the defendant explained that he is the one who prepared the letter, allegedly in compliance with instructions from the Coordinator of the Joint Command. "We used Palomar Capital Advisors to obviate security issues. Since we were negotiating with the Russian bank VTB, and given the geopolitical disputes between Russia and the West, we preferred to have a company that would do the transaction on behalf of MAM."

For ProIndicus and EMATUM companies, it was the managers themselves who requested the Central Bank of Mozambique to authorise the contracting of financing, but in the case of MAM it was Minister Manuel Chang who requested authorization from the Central Bank of Mozambique, at the request of the then SISE General Director Gregório Leão. Called upon to explain, the defendant admitted that he himself prepared the letter

that the SISE General Director addressed to the Minister of Finance, but he could not remember the reasons. "I think there was a problem that led us to request the intervention of the Minister of Finance, the great patriot Manuel Chang".

All managers of the companies ProIndicus, EMATUM and MAM were public servants. The Public Prosecutor questioned whether António Carlos do Rosário received a salary as PCA of the three companies, to which he replied in the negative. And the Public Prosecutor reacted: "So, you were working without receiving

a salary. You were serving the Nation, as you have ever said once. And what about the other members of the board of directors, can you say whether they received salaries?" The defendant replied that he had no information. On this matter, it is worth remembering that in 2018 the Attorney General Office asked the Administrative Court for the public managers involved in the illegal loans of more than two billion dollars and in the management of the beneficiary companies to be held financially liable. But to date the Administrative Court has not yet ruled on

the Attorney General Office request.

On Armando Ndambi Guebuza's computer, the Public Prosecutor got an email sent by António Carlos do Rosário informing him on the transfer of the SOMO-NAV shipyards (Sociedade Moçambicana de Construção, Reabilitação e Reparação de Navios Lda) to MAM. That transfer was authorized by the Ministers of Transport and Communications and of Economy and Finance. "I never sent emails on service matters using my personal address. I never had Armando Ndambi Guebuza's address."

## The indicted refuses that EMATUM and MAM have billed only USD 39,000 in revenue and again indicts the current government of sabotage

In the files, according to Kroll's information, until 2017, EMATUM had had in revenues from the sale of fish 14 thousand dollars, and MAM 25 thousand dollars for transporting goods by the dual-purpose ship called Africa Storm, in a service raised by the Prinvest group. In Kroll's accounts, the three companies that put the country in debt by two billion dollars produced revenues of 39 thousand dollars. The Public Prosecutor questioned the defendant what was the "plausible explanation of the total failure of the companies," to which he replied in the following terms: "First, the figures you refer to are not true. Second, the

Maputo Shipyard has been producing since 2016, and this company is one of the MAM subsidiaries, as there are several of them. In relation to EMATUM, there was a sabotage campaign and the mentioned amount refers to the first month of its activities."

António Carlos do Rosário said that the failure of the companies is apparent, as they are being useful to the State; the Defense and Security Forces are using their assets. "So when people talk on total failure, it is not true because the objective was not only to produce revenue. If we were a state with financial capacity, it was just to allocate money to each of the

branches of the Defense and Security Forces. However, we had to reinvent ourselves to look for ways of financing them. ProIndicus did not generate revenue because of sabotage by members of the current government. There are members of the government who do not want to see these companies operating. If ProIndicus worked, it would take away business that is being done at the back door. That is why I say that this Government is not sabotaging me, but the Mozambican people. There are killings happening in Cabo Delgado that could have been prevented by ProIndicus."

## Public Prosecutor says that Antonio Carlos do Rosario benefited from 350 million meticaais, but he denies everything.

It is in the case that under the project of monitoring and protection of the Exclusive Economic Zone, the defendant Antonio Carlos do Rosario received directly and indirectly 349,844,949.14 Meticaais paid by companies of the Prinvest group. "I have never received even one fifty for my benefit, directly or indirectly," he reacted. Asked whether the managers of the Prinvest group ever expressed a willingness to pay him amounts as a result of his work on the project, he answered in the negative.

However, it is on the files that when the first financing contract of USD 372 million was signed in favor of ProIndicus, 50

million dollars were withdrawn and shared among the co-defendants Armando Ndambi Guebuza (33 million dollars), Teófilo Nhangumele (8.5 million dollars) and Bruno Langa (8.5 million dollars). In the email Nhangumele sent to Jean Boustani, of the Prinvest group, he explained that Ndambi Guebuza got USD 33 million because he should share at least USD 10 million with António Carlos do Rosário, Gregório Leão and Cipriano Mutota.

The information is contained in an email taken from Teófilo Nhangumele's computer. António Carlos do Rosário said he had no knowledge of the facts and that if it was to receive money he would not

need any intermediation. "I worked in the same office with Boustani. It was easier to talk to him to give me money. I did not receive money, you can look in my accounts in Mozambique. I don't have foreign accounts for security reasons."

When asked if he owns a property in South Africa, valued at about 20 million rand, and a farm located in Mbombela, Mpumalanga, also in South Africa, the defendant answered in the negative. Moreover, when asked if he owned a Ferrari F12 2016 model car, he answered with a smile: "Ferrari? Honourable, I'd like to own one". He also denied owning three vehicles mentioned by the Public Prose-



cutor, namely BMW model 2015, Mercedes Benz model 2015 and Land Rover model 2015. About the Toyota Hilux vehicle, model 2014, he said he was not sure. "That brand of cars we use for economic intelligence operations and we kept the South African license plates." The only vehicle he confirmed was his own was Toyota Land Cruiser, 2016 model.

It is in the files that the Prinvest group transferred, in 2013, the amount of USD 249,972 to an account held by Carolina da Piedade Reis, the Carlos Alexandre

Reis's daughter, owner of the house T3 duplex, in Quelimane City, bought by António Carlos do Rosário. Moreover, the defendant confirmed that he bought the property directly from the Carlos Reis. "It was not through the money of the Prinvest group. I no longer remember the dates, the price, and the kind of payment. I have been in prison for two years and seven months and I don't know where to get the documents to prove the payment." Asked how he negotiated the purchase of the property, the defendant said

he spoke directly with the owner Carlos Reis. "I never spoke with his daughter and I don't know her."

The Public Prosecutor said that the property was rehabilitated and turned into a hotel. But the defendant denied the information. "Honestly! How is a type 3 house going to become a hotel? The Attorney General's Office went there and found no hotel. What is there is a house owned by citizen António Carlos do Rosário. Now I understand why they arrested me, this is like an intelligence series.

## The indicted denies being the owner of a hotel built in Tete with funds transferred by the Prinvest group

To the question whether he was allocated a plot of land in 2011 by the municipality authorities of Tete, in the Matema -Chingodzi area, he confirmed it. The building licenses were issued in favor of António Carlos do Rosário, to which the prosecutor questioned what he intended to build in the space. "It wasn't me who requested the building licenses, so I don't remember." When confronted with the document of attribution of construction license issued by the Municipality Council of Tete where his name appears, he confirmed that he had an intention of building a hotel.

It is in the case that the Prinvest group transferred, in 2013, a total of three million dollars to an account held by the company Walid Construções Lda, at Standard Bank. Of this amount, about two million dollars were used in the construction and equipping of a hotel in Tete City, called Mabassa Hotel, through a turnkey contract. The hotel was built by Walid Construções in the space of António Carlos do Rosário, and the prosecution believes it is owned by the defendant. "The hotel is not mine. It is from Txopela Investments and I already explained that on the first day. It was in my name because I was the holder of the space."

In addition, because he said that the project to build the hotel had always been Txopela Investments', the Prosecutor recalled that the first license to build the hotel is from December 31, 2012, and the company Txopela was only created on September 24, 2013. In other words, the Txopela company did not exist when the first license was issued. "It didn't exist formally, but the idea already existed.



It was at the time when Tete was in full swing. The people who created Txopela already had the idea of investing in a hotel in Mozambique."

The Walid Construções lawyers told the Attorney General's Office that the company carried out the construction work for the hotel in Tete, hired by António Carlos do Rosário. "He was hired by Txopela Investments. It was not me who hired them, I was an intermediary." In the letter to the Public Prosecutor's Office, the lawyers wrote that in the second half of 2012, with António Carlos do Rosário having learned that Walid Construções had set up a construction site in Tete to execute a contract subcontracted by Soares da Costa, he

contacted the company to build two major contracts, one of which is Mabassa Hotel.

Since the defendant flatly denied owning the hotel, insistently stating that he only served as an intermediary between Txopela Investments and Walid Construções, the Public Prosecutor's Office confronted him with emails sent to him addressing issues related to the works. But he denied receiving emails. "The email address is mine, but I did not receive that email. I ask you to confront me with emails taken from my computer. The Prosecutor has my electronic devices. I am always being confronted with hammered emails extracted from other computers."



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