

DAY XLIII OF THE "HIDDEN DEBTS" SCANDAL TRIAL

Apolinário Panguene says that IGEPE had residual involvement in EMATUM because the Ministry of Finance took care of all the details

- After the usual Wednesday interregnum, the trial of the Mozambique's biggest financial scandal resumed yesterday, with the hearing of the economist Apolinário Panguene, then CEO of the Instituto de Gestão das Participações do Estado (IGEPE) - between August 2011 and December 2015. The declarant said that on an unspecified date in 2013 he was asked by the then Minister of Finance (Manuel Chang) to inform him that the Mozambican State had decided to create a company with two components: one related to security and the other to commercial issues (tuna fishing and marketing).



Armando Panguene

Apolinário Panguene said that he had access to a feasibility study of EMATUM that had been prepared by a Swiss company, but he could not remember who he had received it from: the Minister of Finance himself or the National Treasury Director at the time (Isaltina Lucas). In addition to the EMATUM feasibility study, the declarant also made it known that he was presented the national tuna fishing strategy prepared by the Government of Mozambique.

Moreover, the documents showed that Mozambique was not exploiting its tuna quota due to the inability of the national companies, and that the solution was to license foreign companies for this purpose, having the state the mission to collect fees and taxes. At the time, tuna fishing in Mozambican waters was dominated by Spanish, Japanese, and Chinese companies, which had in total more than 100 boats, against less than five from Mozambique. Therefore, it was believed that with the EMATUM project, the state would be in a position to increase the exploitation of its quota and improve its revenue collection capacity.

It was for this and other reasons that the then Minister of Finance instructed IGEPE, an institute under his tutelage, to subscribe part of EMATUM's social capital. "Since it was a state decision, it was not necessary to take the EMATUM feasibility study and the national tuna fishing strategy prepared by the government to the IGEPE board of directors." To a question from the court, the declarant explained that the normal procedure would be to submit the proposed statutes of the company to the legal office of IGEPE for the

issuance of the competent opinion, but in the case of EMATUM "the statutes came from the Private Notary of the Ministry of Finance".

Apolinário Panguene does not remember precisely the date on which IGEPE signed the public deed of constitution of EMATUM, but he presumes that it was on August 2. On that date the representatives of the other EMATUM shareholders were not present, namely EMOPESCA (a company 80% owned by IGEPE and supervised by the Ministry of Fisheries) and GIPS (a company linked to the secret services). "I only came to know the representative of the shareholder GIPS sometime after EMATUM was established. IGEPE did not pay for the subscription of its shareholding in EMATUM and the declarant claimed that it was the Ministry of Finance that should pay for it.

According to the declarant, IGEPE was not involved either in the elaboration process of the feasibility study or in the negotiation of EMATUM's supply and financing contracts. "IGEPE was not part of the management and administrative bodies of EMATUM, as it was supposed to be. The explanation given by the Minister of Finance was that high investments were involved and it was necessary that the control be done directly by the Ministry of Finance. The Minister talked to me and said that he had chosen those people - Ministry of Finance employees - for the social bodies of EMATUM because they were trusted by him and they would guarantee the return on the state's investment. I received a list from the Ministry of Finance with the nomination of the EMATUM board members. I don't know who nominated the company's CEO".

Despite being CEO of IGEPE - majority shareholder of EMATUM, Apolinário Panguene said he never had contact with the company's assets. However, he noted that once he was invited by the then CEO António Carlos do Rosário to visit the EMATUM vessels. But, due to overlapping agendas it was not possible to make the visit, he claimed.

In 2015, Apolinário Panguene attended, in his capacity as CEO of IGEPE, the general meeting of EMATUM that had as agenda the approval of the accounts of the previous year. At that meeting, the declarant performed, in an ad hoc manner, the functions of chairman of the general assembly board of EMATUM. "On that day I visited the EMATUM premises and I was informed by Mrs. Cristina Matavel that I should not reach the basement of the building because defense material was stored there."

Having attended the general meeting of EMATUM representing the majority shareholder, the declarant was questioned by the Public Prosecutor's Office about the financial health of the company with a view to achieving the social object it proposed. And the answer was: "The only thing I know is that the results presented in that general meeting were negative. I did not have details to evaluate the financial health of EMATUM". Apolinário Panguene said that IGEPE's intervention in EMATUM was residual and the "Ministry of Finance was the one that took care of all the details". He added that IGEPE had no intervention in the design of the EMATUM project, claiming that it was a State project. "We were invited to help the State in the realization of this project."

Ivone Lichucha says she was administrator of EMATUM by indication of Victor Borges, then Minister of Fisheries

Ivone Lichucha, the third declarant of the day, is an employee of the Ministry of Fisheries and, from 2013 to 2015, served as administrator of EMATUM. The declarant recalls that in late July 2013, António Carlos do Rosário appeared at her Directorate, at the Ministry of Fisheries, having introduced himself as a businessman who wanted to develop tuna fishing in Mozambique. At the time, Ivone Lichucha's directorate was the "gateway" to investment projects in the fisheries sector. The declarant said she did not know that António Carlos do Rosário was an officer of the State Intelligence and Security Service (SISE).

On 2 August 2013, the date of EMATUM's creation, the then Minister of Fisheries, Victor Borges, appointed Ivone Lichucha to represent the Ministry of Fisheries in the company,



as administrator. On the same day, already in the afternoon, the declarant went to participate in the constitutive act of EMATUM, which took place in the Private Notary Office of the Ministry of Finance. "The documents we signed were already ready". She also recalls that she received guidance from the then Minister of Fisheries to invite the then CEO of EMOPECA to participate in the constitutive act of EMATUM.

After having participated in the creation of the company, she says that she received, once again, António Carlos do Rosário, and this time he was accompanied by two other people who spoke English. Basically, the team led by António Carlos do Rosário wanted to know how tuna fishing is done, in what areas, what gear is used, what species occur in Mozambican waters, in what seasons, and other technical specifications. "They said they were preparing a feasibility study."

Ivone Lichucha said that in the large fishing enterprises, the Ministry of Fisheries was represented by EMOPECA. However, the declarant cannot say whether the then Minister of Fisheries would have directed the then CEO of EMOPECA to subscribe a stake of the company in EMATUM. She had access to the EMATUM feasibility study, but she does not recall seeing defense and security aspects in it.

Lichucha was manager of the operations department of EMATUM from 2013 to 2015 and, in this capacity, was responsible for finding out how tuna fishing, vessel construction, and mooring would be developed. She also recalls that a tuna fishing trip took place during this period.

About the high costs related to the mooring and insurance of the boats, as well as the operations, Ivone Lichucha said that when

the boats arrived and started fishing, who took care of the expenses of the operations was another department. "Another aspect is that at the time the vessels started operating I was not a full-time part of EMATUM. I was no longer executive administrator, I was non-executive administrator. I was not the one who received the boats. I was invited to watch the unloading of the first harvest and then I did not follow the operations closely. I don't remember how much tuna was unloaded in that first harvest."

Asked about the origin of the bait (squid) used by the company, the declarant said she had no knowledge. "Usually the tuna bait is acquired outside of Mozambique. Nevertheless, I did not have information on how the squid used by EMATUM was acquired and where. I remember that when I was still there I had the information that the bait could only be acquired outside the country."

The declarant did not follow up the process of adapting the vessels, which was done in Mozambique. However, she recalls that she visited the shipyards where the vessels were being manufactured in France in December 2013. And from what she found, the technical characteristics, such as the length of the vessels and engine power, were within the regulations of maritime fishing. Nevertheless, in terms of sanitary, it was necessary for the responsible institution, namely the National Institute of Fish Inspection, to go for pre-inspection.

"When we returned from France we advised the EMATUM board of directors to contact the National Institute of Fish Inspection to make the appropriate recommendations. However, the Institute anticipated this and called EMATUM to address the situation of the boats. It was after this meeting that two inspectors

went to France to see the boats and made the pre-inspection, whose report was sent to the company. The report indicated the aspects that needed to be improved.

Ivone Lichucha said, quoting statistical information from the fisheries sector, that EMATUM even exported tuna to Spain, Uruguay, and China. Asked about the revenues obtained from the exportation of tuna, the declarant replied that she had no information. To the question why no more tuna fishing was done, she said that she did not know because in 2015 she was no longer part of the company. "Fishing started in late 2014 and in 2015 I was no longer with EMATUM." She said she was unaware of the connection between EMATUM, ProIndicus, and MAM, allegedly because she only heard about the other two companies through the press.

About the trawlers that were in the supply contract, the declarant explained that the purpose was that they were to be used to catch small fish, namely sardines and horse mackerel, which would be used as bait. "When I received the information about the means ordered, trawler boats were listed. The then CEO António Carlos do Rosário said that the trawlers were for the capture of bait. However, the bait generally used to catch tuna is squid. I don't know if horse mackerel and sardines would give good results."

As Executive Administrator of EMATUM, she received a net salary of 168,000 meticais, including fuel allowance and representation expenses. "I also received an allocation vehicle. I do not know the criteria used to fix the remuneration of the members of the board of directors of EMATUM, but I think it was based on the comparison made with other companies.

Armando Tchau says that EMOPECA subscribed his stake in EMATUM before the decision of the board of directors

The second declarant to be heard by the court yesterday, Armando António Tchau is a former board member of EMOPECA, a company owned 80% by IGEPE and 20% by Fundo de Fomento Pesqueiro (FFP). In August 2013, the declarant said he received a call from the then CEO of EMOPECA requesting an urgent meeting of the board of directors to decide on the company's stake in EMATUM. At the meeting held in a restaurant in Maputo City, he was informed that the CEO had been at a meeting at the Ministry of Finance where the establishment of EMATUM was discussed and decided, and that, by superior guidance, EMOPECA should subscribe its stake in the new company.



In fact, the then CEO of EMOPECSA had already subscribed, in the meeting held in the Ministry of Finance, to a 33% stake in EMATUM's capital, but he did so without any document that gave him a mandate to do so. Therefore, he summoned the members of the board of directors to produce, at a later date, a document giving him a mandate for an act he had already performed on behalf of EMOPECSA. Moreover, in the meeting held in the restaurant, a board of directors' minute was produced, giving a mandate to the then EMOPECSA CEO to subscribe to a stake

in EMATUM.

Nevertheless, this was not the first version that Armando Tchau presented to the court. The declarant tried to elaborate a different and coherent narrative, but was confronted with his statements given at the Attorney General's Office (PGR) in August 2018. Judge Efigénio Baptista questioned him why he was making statements contrary to those he had made during the preparatory instruction. Armando Tchau tried to insist that the correct version was the one he was giving the court, but he changed his mind when the judge re-

mindened him that, as a declarant, he was prohibited from lying and run the risk of criminal liability. So when confronted again with his statements made to the PGR, he assumed them in their entirety.

To the Prosecutor's question why he tried to make statements contrary to those he had made at the PGR, Armando Tchau replied in the following terms. "There are situations in which the declarant does not even remember what he said before, but when he is confronted with documents that he himself signed he returns to the confrontation."



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