

LXXVI TRIAL OF THE “HIDDEN DEBTS” SCANDAL

## Public Prosecutor has seized 107 properties, five luxury cars and dozens of bank accounts with only 61 million meticaais

- The Prinvest group paid about 200 million dollars in bribes to national and foreign citizens involved in the “hidden debts” contracts. Considering the assets seized by the Public Prosecutor, it is clear that the state is unlikely to recover all the money diverted.



Attorney Ana Sheila Marrengula

● In defense of Frelimo and Filipe Nyusi who received millions of dollars from the Privinvest group to finance the 2014 election campaign and, even in the face of plenty of evidence, were not investigated by the Public Prosecutor, Ana Sheila Marrengula said that there is no legislation that regulates the financing of political parties and their candidates. “We hope that the legislative branch will approve its own law for this matter.”

● Also in the introductory notes, the Public Prosecutor’s Office accused the assistant in the case, the Mozambique Bar Association (OAM), of having done nothing during the preparatory instruction. It did not bring a private accusation (although it had been notified to do so), and during the discussion and trial hearing, it did not fulfil the role of assistant to the Public Prosecutor.

● The defense of Renato Matusse requested the removal of Judge Efigénio Baptista and, consequently, the suspension of the Trial until the decision of the Superior Court of Appeal of Maputo. The grounds are that the judge had expelled Renato Matusse’s lawyers and prevented him from appointing Prof. Teodoro Andrade Waty as his legal representative. The judge dismissed the request on the grounds that he was not notified of any suspension incident by the Maputo High Court of Appeal. “Even if he had been notified, the incident would not suspend the progress of the case.”

It was 12:00 pm when the representative of the Public Prosecutor’s Office, Ana Sheila Marrengula, began reading the final arguments. She began by explaining that the preparatory instruction of the biggest financial scandal in the history of Mozambique lasted about five (5) years, and counted with the cooperation and assistance of South Africa, United Arab Emirates, Portugal, Netherlands, United States of America (USA) and United Kingdom.

However, some countries that were used by the defendants as laundries for bribes paid by the Privinvest group, such as South Africa, did not offer timely cooperation to clarify what the prosecution describes as a “disgusting robbery to Mozambicans.”

Prosecutor Ana Sheila Marrengula said that the Public Prosecutor has provisionally arrested 107 properties, including residences, commercial establishments, hotels and plots of land; five luxury vehicles; dozens of bank accounts with the following values: 53, 1 million meticaïs; 110,000 dollars and 15,504 euros.

The preparatory instruction was led by the Attorney General of the Republic, Beatriz Buchili, and the collaboration of a large team of magistrates and technicians. The instruction was led by prosecutor Alberto Paulo, later promoted by the President of the Republic (Filipe Nyusi) to Deputy Prosecutor General of the Republic.

However, Ana Sheila Marrengula said there is no scope for political interference in the Public Ministry, much less room for forging evidence or threatening defendants, thus re-



Ana Sheila Marrengula says that the Bar Association did not exercise its role as an assistant to the Public Ministry

acting to complaints from some defendants in relation to the actions of prosecutor Alberto Paulo in the preparatory phase of instruction.

In fact, Ana Sheila Marrengula said that prosecutor Alberto Paulo was the target of personal attacks by defendants and lawyers due to the high sense of responsibility that

he demonstrated in the preparatory instruction of the “hidden debts” case. The Privinvest group paid about 200 million dollars in bribes to national and foreign citizens.

In defense of Frelimo and Filipe Nyusi, who received millions of dollars from the Privinvest group to finance the 2014 election campaign and, even in the face of abundant



evidence, were not held accountable by the Public Ministry, Ana Sheila Marrengula said that there is no legislation governing the funding of political parties and their candidates. "To respond to this gap, the Most Dignified Attorney General has alerted the Parliament about the need to adopt legislation regulating the financing of political parties. We hope that the legislative branch will approve its own law for this matter."

Also in the introductory notes, the Public Prosecutor's Office accused the assistant in the case, the Mozambique Bar Association (OAM), of doing nothing during the preparatory instruction. It did not bring a private accusation (although it was notified to do so) and, during the discussion and trial hearing, it did not exercise its role as assistant to the public prosecutor.

"We expected that, at least in the trial phase, the Lawyers' Association would exercise the role of auxiliary of the Public Prosecutor's Office. However, against all expectations, while the Public Prosecutor's Office was trying to raise the flag to fight organized crime and criminals, the one that should have been on our side was, on the contrary, perched on the flag, with so much weight that it tore it apart," Ana Sheila Marrengula said.

As for the final allegations themselves, the Public Prosecutor said that during the hearing of discussion and trial it was proved that the defendants Cipriano Mutota, Teófilo Nhangumele, Bruno Langa, Armando Ndambi Guebuza, Maria Inês Moiane, Elias Moiane, Sergio Namburete and Antonio Carlos do Rosario practiced the criminal acts that are indicatively charged to them.

The prosecutor accused Ndambi Guebuza of not having been collaborative during the trial phase, having ruled by denying all the facts alleged against him and by assuming a posture of arrogance and lack of respect for state institutions. Ana Sheila Marrengula also said that Ndambi Guebuza made insinuations that the process now under trial was politically motivated, namely the political persecution of the Guebuza family.

The defendants Bruno Langa and António Carlos do Rosário also saw their behaviour being censured by the Public Prosecutor. According to Ana Sheila Marrengula, the two defendants demonstrated during their auditions an arrogant behaviour and lack of respect for state institutions, and accused the Public Prosecutor of having forged documents to incriminate them and the prosecutor Alberto Paulo of threatening them during the preparatory instruction phase.

According to the Public Prosecutor's Office, it was proven that: **Cipriano Mutota** - received 980 thousand dollars from the Privinvest group and committed the crimes of embezzlement, falsification of other documents, money laundering, association to de-



CIPRIANO MUTOTA



TEÓFILO NHANGUMELE



BRUNO LANGA



ARMANDO NDAMBI GUEBUZA



MARIA INÊS MOIANE



SÉRGIO NAMBURETE



ELIAS MOIANE



ANTÓNIO CARLOS DO ROSÁRIO



linquency; **Teófilo Nhangumele** - received 8.5 million dollars and committed the crimes of embezzlement, money laundering, association to delinquency, three crimes of falsification of other documents, blackmail or influence trafficking.

**Bruno Langa** - received 8.5 million dollars and committed the crimes of embezzlement, money laundering, association to commit a crime, three crimes of falsification of other documents, blackmail or influence peddling;

**Armando Ndambi Guebuza** - received 33 million dollars and committed the crimes of embezzlement, money laundering, association to commit a crime, three crimes of falsification of other documents, blackmail or influence peddling.

**Maria Inês Moiane** - received 750 thousand euros from the Privinvest group and committed the crimes of influence trafficking, money laundering, and embezzlement; **Sérgio Namburete** - received 125 thousand

euros and committed the crimes of money laundering, falsification of other documents; **Elias Moiane** - committed money laundering.

**António Carlos do Rosário** - received three (3) million dollars; 9.5 million euros (more than 2.7 million were transferred Gregório Leão) and 19.9 million rands from the Privinvest group. He committed five crimes of embezzlement, money laundering crimes, abuse of office and function, and association to commit crime.

## Renato Matusse's defense tries to remove Judge Efigénio Baptista from the "hidden debts" case

After a one-week break, the trial of the biggest financial scandal of the "hidden debts" resumed on Thursday, March 3, the day scheduled for the beginning of the presentation of final arguments. But before the day's agenda, Judge Efigénio Baptista began by announcing the dispatches of the requests submitted by the defense lawyers. First, the granting of the request of Abdul Gani, in which he asked to be suspended from being the official lawyer of the defendant Manuel Renato Matusse, on the grounds that he wants to devote himself exclusively to the defense of his constituent, the defendant Gregório Leão José, former Director General of SISE.

After the expulsion of lawyers Salvador Nkamati and Jaime Sunda, in the beginning of February this year, the defendant Manuel Renato Matusse constituted a new attorney, namely the lawyer Elsa da Conceição Carlos. The new lawyer of the former political advisor of Armando Guebuza immediately filed a request for the removal of Judge Efigénio Baptista, and consequently, the suspension of the trial until the decision of the High Court of Appeal of Maputo. On the grounds that the judge had expelled Renato Matusse's lawyers and prevented him from appointing Prof. Teodoro Andrade Waty as his legal representative.

In an order, Judge Efigénio Baptista dismissed the request and said he was not notified of any suspension incident by the Maputo High Court of Appeal. "As a judge I should be notified in court, but I did not go to work during the last week because I was sick. Even if I had been notified, the incident would not suspend the progress of the case under the provisions of article 115, paragraph 1 of the Criminal Procedure Code of 1929, as well as the provisions of article 47, number 4, of the



Judge Efigénio Baptista



Manuel Renato Matusse

Criminal Procedure Code of 2019."

The court also dismissed the application of Lourenço Malia, a lawyer defending defendants Teófilo Nhangumele and Bruno Langa. In his application, the lawyer requested the confrontation between the defendant Teófilo Nhangumele and the declarants Victor Bernardo (former CEO of Monte Binga, a company of the Ministry of National Defense, and representative of that firm in ProIndicus) and Maria Isaltina Lucas (at the time of the facts National Director of the Treasury). According to Lourenço Malia, the testimonies of Teófilo Nhangumele, Victor Bernardo and Maria Isaltina Lucas resulted in "contradiction and certain imprecision" regarding the terms and

conditions of the final financing contract for ProIndicus.

Justifying the rejection of the request, Judge Efigénio Baptista said that the lawyer Lourenço Malia should expressly indicate the contradictions in the three statements, including explaining the "imprecision" to which he refers. Furthermore, the judge said that it makes no sense to call people to be face-to-face for facts contained in the document. The court can appreciate and value the document. "In his application he did not specify the company and it is not the job of the court to guess the name of the company. We are dealing with three companies, namely ProIndicus, EMATUM and MAM."



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