

Geneva Prosecutor must revive Angola Oil Corruption Probe

From 1997 to 2001, US\$ 774 million of Angolan oil revenues were paid into an account at UBS Geneva belonging to Abalone Investment Limited, a shell company run by French businessman Pierre Falcone and his associate Arcadi Gaydamak, an Israeli billionaire of Russian origins. This sum was intended to repay Angola's bilateral debt with Russia, but only US\$ 161 millions were transferred from Abalone to an account marked Russian Ministry of Finance. Around \$600 million was transferred to accounts belonging to Falcone, Gaydamak and a series of obscure companies, with millions ending up in the private accounts of high-ranking Angolan officials, including President Dos Santos.

The funds in question were Angolan oil revenues destined to repay the country's debt with Russia. There is sufficient evidence of the crimes of corruption of foreign public officials and money laundering for an investigation to be carried out. Despite this, a criminal complaint into this case was shut down by the Public Prosecutor of Geneva, Daniel Zappelli, at the end of 2004. On 22 December 2006, a group of Angolan citizens called on Prosecutor Zappelli to reopen the investigation. In July 2007, a legal memo outlining in detail why the case should be reopened was also deposited with the Prosecutor and with the investigating judge in charge of the case, Vincent Fournier. To date, there has been no further action on the part of the authorities.

At the end of 2008 a trial in France took place arising from the 'Angolagate' scandal, which involved alleged illegal arms trafficking to Angola during the civil war. Among the accused were Pierre Falcone and Arcadi Gaydamak, an Israeli billionaire of Russian origins. They were accused of setting up illegal arms-for-oil deals worth some 790 million dollars. Falcone and Gaydamak acted as go-betweens, selling arms from former Soviet countries to the Angolan regime. French prosecutors called for six years jail sentence for Falcone and Gaydamak. Falcone had already been given a four-year prison sentence for tax fraud and sentenced to a further year by French courts for receiving commissions in a case involving misappropriation of public funds via Sofremi, a company which promoted the sale of security material.

In June 2008 Civil society organisations expressed serious concerns over plans by the Swiss Development Agency (DDC) to return 21 million US-Dollar blocked in Swiss banks to Angola, including for a demining project awarded untransparently to RUAG, a Swiss arms manufacturer which currently does not have the requisite capacity for demining. Action Place financière Suisse, the Berne Declaration and Global Witness called on the Swiss authorities to rethink their decision and institute a competitive bidding process for the demining project.

In a letter of 13th March 2009 the Director of the DDC responded in a letter to the Berne Declaration and AFP that Angola had signed in September 2008 the contract regarding the acquisition of demining vehicles from RUAG including formation and exchange materials. In May 2009 the Swiss Government declared that 16,6 Million US-Dollar of the around 24 Million US-Dollar (including interests of 3 Million US-Dollar) were being used for humanitarian demining and 7,5 Million US-Dollar for a training project in agriculture.