

PRESS RELEASE

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global witness

AFP AKTION FINANZPLATZ SCHWEIZ

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DÉCLARATION DE BERNE

Does return of looted Angolan cash by Swiss mean impunity for looters?

Under an agreement signed by Angola and Switzerland on 1 November, \$21 million in Angolan public funds blocked in Swiss banks during a corruption investigation is to be returned to Angola, despite calls by civil society in both countries for the case not to be closed.

The funds were blocked during an investigation into money-laundering, support for a criminal organisation and corruption of foreign public officials related to the rescheduling Angola's \$5.5 billion debt with Russia in 1996. During 1997-2000, a total of around \$774 million in Angolan oil revenues were paid into an account at UBS belonging to a shell company, Abalone Investment Limited, set up by businessman Pierre Falcone and his partner, Arcadi Gaydamak. Only \$161 million of these funds went to an account marked Russian Finance Ministry. 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. (1)

The Prosecutor-General of Geneva stopped the proceedings at the end of 2004 on the grounds that, as there were no victims or plaintiffs, no fraud had been committed, despite evidence of the misappropriation of millions of dollars of Angola's public money (2). He subsequently ignored a call by Swiss, Angolan and international civil society organisations to reopen the case. (3)

Aktion Finanzplatz Schweiz (Basle), Déclaration de Berne (Lausanne) and Global Witness believe that, by closing this case, Switzerland is signalling to the world that its banking system may be used with impunity for laundering the proceeds of foreign corruption.

‘We welcome the fact that the \$21 million is destined to humanitarian projects to help the most vulnerable people in Angolan society’ said Stefan Howald of Aktion Finanzplatz Schweiz. ‘Angola is of the world’s poorest countries, despite its vast oil and diamond wealth, with most Angolan citizens living on less than \$2 per day.’ (4)

However, Angola is also extremely corrupt, ranked 133 out of 145 countries in terms of corruption by Transparency International.(5) Sarah Wykes, campaigner for Global Witness commented: ‘Given the funds are Angolan public money deposited in Swiss bank accounts, and given the notorious corruption record, what guarantees are there the money will be used for humanitarian relief? Any repatriation must take place with complete transparency, Angolan and international civil society must be involved in deciding how the money is spent, and there must be ongoing public scrutiny via an independent monitoring mechanism’.

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Notes

1. See Global Witness **Time for Transparency**, March 2004.

<http://www.globalwitness.org/reports/index.php?section=oil>. A Swiss Banker reportedly testified that \$56 million in an offshore account belonged to President Dos Santos, and the report reproduces documentary evidence from representatives of a Luxembourg Bank that funds deposited in a private account belonged to ‘Mr Jose Eduardo dos Santos – Luanda, Angola’.

2. Swiss criminal code, Art. 322^{septies}

2. Corruption active d’agents publics étrangers

Celui qui aura offert, promis ou octroyé un avantage indu à une personne agissant pour un Etat étranger ou une organisation internationale en tant que membre d’une autorité judiciaire ou autre, en tant que fonctionnaire, en tant qu’expert, traducteur ou interprète commis par une autorité, ou en tant qu’arbitre ou militaire, en faveur de cette personne ou d’un tiers, pour l’exécution ou l’omission d’un acte en relation avec son activité officielle et qui soit contraire à ses devoirs ou dépende de son pouvoir d’appréciation sera puni de la réclusion pour cinq ans au plus ou de l’emprisonnement. http://www.admin.ch/ch/fr/rs/311_0/a322septies.html

3. Letters to M. Daniel Zappelli of 28 February and 13 June 2005.

4. Angola is ranked ranked 160 out of 177 countries on the UN’s Human Development Index. See http://hdr.undp.org/reports/global/2005/pdf/HDR05_HDI.pdf/IRIN, United Nations News Service, ‘Angola: Legacy of war, failed harvests combine to erode security’, September 12 2005, http://www.irinnews.org/report.asp?ReportID=49134&SelectRegion=Southern_Africa&SelectCountry=ANGOLA

5. See *Transparency International’s 2005 Corruption Perceptions Index*, see http://www.icgg.org/corruption.cpi_2005.html