

## AFRICA RISK CONSULTING

### Angola Briefing March 2017

#### Angola Summary 21 March 2017

**Portugal's attorney general's office announces it plans to charge vice president Manuel Domingos Vicente with corruption, money laundering and forgery for allegedly paying a €760,000 (\$801,000) bribe to Portuguese magistrate Orlando Figueira. The foreign ministry issues a statement describing the charges against Vicente as a "serious attack". Rumours emerge that president José Eduardo dos Santos' (1979-present) daughter Isabel dos Santos will leave her position as chairperson and non-executive director of state-owned oil and gas company Sociedade Nacional de Combustíveis de Angola – Empresa Pública (Sonangol). Police suppress demonstrations in Luanda against the government's decision to move the Comissão Nacional Eleitoral (CNE) (national electoral commission) under the territorial administration ministry.**

#### Vice president Vicente to face money laundering & corruption charges in Portugal

Portugal's attorney general's office announced on 16 February that it plans to charge **Angolan** vice president **Manuel Domingos Vicente** with corruption, money laundering, and forgery for allegedly bribing Portuguese magistrate **Orlando Figueira** to drop two money laundering investigations against him in 2012.<sup>1</sup> The charges against Vicente show that corruption remains a significant concern in Angola's opaque political and business environment.<sup>2</sup> Portugal's attorney general's office claims Vicente paid Figueira 760,000 euros (€) (\$801,000) to drop an investigation into alleged money laundering linked to Angolan investments in Portugal associated with senior Angolan politicians, and another investigation involving the origins of the money Vicente used to buy a multi-million euro apartment in **Lisbon's** exclusive **Estoril Sol Residence**.<sup>3</sup> Portuguese authorities arrested Figueira in 2016 and seized €512,000 (\$540,000) in bank accounts linked to him in **Andorra**.<sup>4</sup> The attorney general's office said,

*"In exchange, the former prosecutor ruled in favour of the chief executive of the Angolan company in two investigations, both of which were ultimately shelved by the prosecutor."*<sup>5</sup>

Figueira allegedly received the bribe on the same day he shelved the investigations.<sup>6</sup> The attorney general's office also charged **Paulo Blanco** and **Armindo Pires** – both Portuguese nationals, and Vicente's legal and financial representatives respectively – with corruption and money laundering for allegedly paying the bribe jointly with Vicente, and for arranging a job in a bank as a favour for Figueira.<sup>7</sup> They allegedly arranged alternative employment arrangements for Figueira at the **Millennium BCP** bank, where he has acted as a compliance consultant since 2012.<sup>8</sup> Millennium BCP's largest shareholder is Angolan state-owned oil and gas company **Sociedade Nacional de Combustíveis de Angola – Empresa Pública (Sonangol)**. Vicente was chairman of Sonangol from 1999 to 2012.<sup>9</sup> Portugal's attorney general's office code-named the investigation 'Operation Fizz', which reportedly uncovered a trail of money from Sonangol subsidiary **Primagest** to Figueira-

<sup>1</sup> Multiple sources: www.bbc.com; www.cnbc.com; VOA, 17 Feb 2017; Reuters, 17 Feb 2017.

<sup>2</sup> Multiple sources: www.bbc.com; www.cnbc.com; VOA, 17 Feb 2017; Reuters, 17 Feb 2017.

<sup>3</sup> www.algarvedailynews.com

<sup>4</sup> Multiple sources: www.bbc.com; www.cnbc.com; VOA, 17 Feb 2017; Reuters, 17 Feb 2017.

<sup>5</sup> Reuters, 17 Feb 2017.

<sup>6</sup> www.algarvedailynews.com

<sup>7</sup> Reuters, 17 Feb 2017.

<sup>8</sup> www.algarvedailynews.com

<sup>9</sup> www.algarvedailynews.com

controlled bank accounts, while Vicente was still head of Sonangol.<sup>10</sup> Moreover, Portuguese media reported that Figueira may have received up to €1m (\$1.06m) in illicit payments for shelving investigations into a wide range of Angolan officials prior to 2012.<sup>11</sup>

Vicente did not respond to the charges.<sup>12</sup> However, Vicente's lawyer **Rui Patricio** said,

*"I am astounded that my client has been accused, not only because he had nothing to do with the facts mentioned but also because he has never even been questioned about them... The fact that Vicente was not questioned invalidates the (legal) process..."*<sup>13</sup>

Sources view the charges as significantly harmful to Vicente's reputation,

*"There are immediate consequences for what it says about Vicente's person. I speak particularly about the moral side. For people like Vicente, he is now completely degraded, taking into account his permanent and systematic journey at Sonangol... Vicente's image is broken... Vicente runs the risk of being put on the **Interpol** sanctions list. He will have the status of a fugitive from justice."*<sup>14</sup>

Angola's political and financial elite has invested hundreds of millions of dollars in Portugal, Angola's former colonial ruler.<sup>15</sup> The investments have largely gone into real estate purchases and buying Portuguese companies.<sup>16</sup>

### ... as foreign ministry says Portugal's decision to charge Vicente is a 'serious attack'

Angola's foreign ministry, on 24 February, issued a statement describing Portugal's filing of charges against Vicente as a "serious attack".<sup>17</sup> The charges against Vicente are expected to harm relations between Portugal and Angola, which have strengthened over the years as a result of Angola's increased investment in Portugal.<sup>18</sup> Angola's foreign ministry stated that it,

*"... considers unfriendly and nonsensical the way the Portuguese authorities conveyed this news which constitutes a serious attack on the Republic of Angola and is likely to disrupt the good relations existing between the two states..."*<sup>19</sup>

One source from the **Centro de Integridade Pública (CIP)** (centre for public integrity) said that the allegations against Vicente are indicative of a broader problem,

*"When the vice president is implicated and is put in a situation like Vicente, it clearly shows that corruption in our country is institutionalised... Angola already doesn't look good in many international settings with regards to transparency. Many country invest in Angola under a condition of mistrust."*<sup>20</sup>

Vicente was once viewed as a likely successor to president **José Eduardo dos Santos'** (1979-present); however this is no longer the case. Dos Santos instead backed defence minister **João Manuel Gonçalves Lourenço** as the **Movimento Popular de Libertação de Angola's (MPLA)** presidential candidate in the upcoming August presidential election.<sup>21</sup> However, Vicente continues to play an

<sup>10</sup> Source, Angola analyst, United Kingdom

<sup>11</sup> www.algarvedailynews.com

<sup>12</sup> www.cnn.com

<sup>13</sup> www.cnn.com

<sup>14</sup> Source, university professor, Luanda

<sup>15</sup> VOA, 16 Feb 2017.

<sup>16</sup> VOA, 16 Feb 2017.

<sup>17</sup> Reuters, 24 Feb 2017.

<sup>18</sup> Reuters, 24 Feb 2017.

<sup>19</sup> Reuters, 24 Feb 2017.

<sup>20</sup> Source, CIP employee, Luanda

<sup>21</sup> Reuters, 24 Feb 2017.

influential role in domestic politics – some even believe that he continues to wield influence over the oil sector, despite having left Sonangol.<sup>22</sup> According to one source,

*“In the areas of gasoline sales to downstream facilities, it is Vicente who holds – it seems – the majority of shares in a company that distributes gasoline. He is also involved in several other businesses under his own name as well as in presidential family business ventures – particularly JEdS’ [José Eduardo dos Santos’] daughter Isabel dos Santos’ (IdS) – and an important part of the national elite.”<sup>23</sup>*

Reportedly, the government’s stance will be to protect Vicente at all costs, even if this would mean compromising the diplomatic relationship with Portugal.<sup>24</sup> According to one source,

*“From what we know of the Angolan regime, they act just like in the animal kingdom – they protect each other. And, probably, they will do everything necessary to protect its members... It is inevitable that Angola looks for a political solution, and in diplomatic terms that will be a big collision between Angola and Portugal. In any case, whatever the consequences ahead, the one that loses is Angola.”<sup>25</sup>*

However, the relationship between the Angolan elite and Portugal, where many hold property and business ventures – not to mention Isabel dos Santos’ and Vicente’s investments – could justify sacrificing Vicente in the name of maintaining good relations in order to avoid penalties on Angolan business and property owners in Portugal,

*“Taking into account the strength, or rather the variables implicated in this relationship, in the current context it is interesting to see strong-arm tactics. Without doubt, the Angolan authorities are the ones that stand to lose from a deterioration of this relationship, because the Angolan elite has always benefitted from property and businesses in Portugal. So, JEdS could sacrifice Vicente, yes. JEdS knows that the Angolans would be unable to invest in any other space of the **European Union (EU)** as they have done in Portugal.”<sup>26</sup>*

Other sources contest this, stating that the president’s negotiating power is greater than Portugal’s,

*“In my opinion, there is no possibility that JEdS sacrifice or deliver Vicente to Portuguese authorities. Plus, I would say that Portugal has more dependency on Angola than vice versa, so JEdS can negotiate.”<sup>27</sup>*

The implications of the charges against Vicente for Angola’s image are significant,

*“Honestly, I don’t know if Angola even has an image to protect... This has more to do with the image of those in power... They don’t understand anything about the separation of power, and Portugal has come to give us a lesson about how to do this.”<sup>28</sup>*

The charges will negatively impact the image of the Angolan ruling elite. Jose Eduardo dos Santos has leverage in the diplomatic and political front, due to the extent of Angolan investments in Portugal. However, this is a double-edged sword, as Angolan business people could be the victim of fines and penalties in Portugal. Angola’s more defensive stance is telling, as it appears to indicate that dos Santos will protect Vicente against extradition to Portugal, due to his stakes in presidential family interests and stature as an influential MPLA stalwart. However, it appears unlikely that there will be further action in short term.

<sup>22</sup> Source, university professor, Luanda

<sup>23</sup> Source, university professor, Luanda

<sup>24</sup> Source, university professor, Luanda

<sup>25</sup> Source, university professor, Luanda

<sup>26</sup> Source, university professor, Luanda

<sup>27</sup> Source, CIP employee, Luanda

<sup>28</sup> Source, university professor, Luanda

## Rumours that Isabel dos Santos may leave Sonangol before the August election

Portuguese newspaper **Expresso** reported on 3 March that Isabel dos Santos may leave her position as chairperson and non-executive director of Sonangol before the presidential election in August.<sup>29</sup> If she leaves her role before the elections, it will reduce President dos Santos' post-presidency influence over the oil and gas sector in Angola. Expresso quoted an anonymous source from the ruling MPLA who said the move is aimed at reducing anti-dos Santos family sentiments. Dos Santos appointed Isabel dos Santos as chairperson of Sonangol in June 2016, allegedly due to nepotism rather than merit. Moreover, her appointment raised doubts about Angola's governance system and the extent to which President dos Santos holds direct personal control over the strategic oil and gas sector through Sonangol.<sup>30</sup>

Reportedly, the rumours are unfounded,

*"At this moment, the only reliable information is that coming from IdS' own mouth. She clearly says that she wants to stay, even after the end of her father's mandate. Therefore, I think what initially was proposed in the press I can only conclude are rumours. There was no information in the article to suggest that IdS wanted to leave Sonangol – just an unnamed source."*<sup>31</sup>

Expresso also indicated that dos Santos' son, **Jose 'Zenu' Filomeno dos Santos**, who heads the **Fundo Soberano de Angola (FSDEA)** (Angola's sovereign wealth fund) may also leave his post before the August election.<sup>32</sup> Reportedly, other siblings will also leave their positions,

*"Zenu's brothers – Tchizé dos Santos and José Paulino dos Santos – who control the **Televisão Pública de Angola (TPA)** (public television network) – reportedly will leave their positions... I can't say much on the matter, but knowing the political animal that is JEdS, I would be surprised if he had not negotiated protection of his children."*<sup>33</sup>

Dos Santos will try to secure as much strategic power within government as possible upon his exit while seeking to minimise an inevitable loss in influence in the longer term. Dos Santos will undoubtedly continue to place his children in strategically relevant sectors, both in the political and economic spheres.

## Police violently suppress activist demonstration

Police in **Luanda** on 24 February violently suppressed opposition activists demonstrating against the government's reported decision to move the **Comissão Nacional Eleitoral (CNE)** (national electoral commission) under the control of the territorial administration ministry.<sup>34</sup> The demonstration is an indication that Angola's political climate will become increasingly heated in the run-up to the August presidential election and that the government will not tolerate any form of organised or popular dissent.<sup>35</sup> Dos Santos is not running in the August elections. The police injured three activists – **Luaty Beirão, Francisco Mapanda** and **Nelson Dibango** – during the violent suppression of the demonstration. Beirão and Dibango were two of the 17 opposition activists that Angolan security forces detained in June 2015.<sup>36</sup> Although activists insist the demonstration was peaceful, the police said that it was illegal and that the organisers had failed to obtain permission.<sup>37</sup> Commentators criticised the government's actions,

<sup>29</sup> www.africareview.com

<sup>30</sup> Source, Angola analyst, United Kingdom

<sup>31</sup> Source, university professor, Luanda

<sup>32</sup> www.africareview.com

<sup>33</sup> Source, university professor, Luanda

<sup>34</sup> www.africareview.com

<sup>35</sup> Source, Angola analyst, United Kingdom

<sup>36</sup> www.amnesty.org

<sup>37</sup> www.africareview.com

*“It is clear that there is no legal base to these detentions – that’s why they were freed without any conditionality.”<sup>38</sup>*

The government’s decision to move the CNE sparked activist protests because the current territorial administration minister, **Bornito de Sousa**, is a stalwart of the ruling MPLA and its vice presidential candidate in the August election.<sup>39</sup> The CNE is not perceived as legitimate under de Sousa’s direction,

*“The detentions of these people were not legitimate, because the detentions violate **Article 47** of the constitution, which defends protests and freedom of expression. But what surprises me is how people appear so scandalised at the muscular attitude of Angolan authorities – this is common practice here.”<sup>40</sup>*

*“This of course puts into question the credibility of the electoral process... The man who is in charge of the process and has the key to the elections is at the same time the candidate to the vice presidency... They understand nothing about ethics. They have no ounce of morality. From the legal perspective, it is clear – an independent entity must oversee the elections.”<sup>41</sup>*

In addition to the protestors, opposition parties have criticised the CNE’s management. However, it appears that open public criticism of the government’s actions remains sensitive for the general population,

*“I have heard that the opposition party, the **União Nacional para a Independência Total de Angola (UNITA)**, is supporting the protestors, as well as the aspiring political party and social movement, the **Convergência Ampla de Salvação de Angola – Coligação Eleitoral (CASA-CE)**. Apart from these, I don’t see much within civil society that is open and concrete. It may occur in private but those are the largest vocal supporters.”<sup>42</sup>*

There appears to be little ambiguity surrounding the legality of the police’s actions in detaining the protestors. Dos Santos will seek to suppress allegations of an undemocratic electoral process, and will aim to minimise vocal opposition to his government and appointments, both domestically and abroad, in the lead-up to elections. It seems that the wider population is still apprehensive about publicly opposing the government over the territorial administration’s control of the CNE.

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<sup>38</sup> Source, CIP employee, Luanda

<sup>39</sup> [www.africareview.com](http://www.africareview.com)

<sup>40</sup> Source, university professor, Luanda

<sup>41</sup> Source, university professor, Luanda

<sup>42</sup> Source, university professor, Luanda

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