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A Swiss court sentences Franco-Israeli billionaire and mining magnate Beny Steinmetz to five years' imprisonment and a CHF50m (\$56.48m) fine after finding him and two co-defendants guilty of bribing public officials and forging documents in order to secure mining rights to the Simandou iron ore deposit. President Alpha Condé (2010-present) has appointed 23 members of a proposed 37-member cabinet, reappointing Ibrahima Kassory Fofana as prime minister. French-Guinean businessman Fadi Wazni buys France-based alumina producer Alteo after France's Tribunal de Commerce de Marseille (Marseille commercial tribunal) authorised the transaction.

Swiss court sentences Steinmetz for Simandou bribery

A **Swiss** court has sentenced **Franco-Israeli** billionaire and mining magnate **Beny Steinmetz** to five years' imprisonment and issued a CHF 50m (\$56.48m) fine after finding him and two co-defendants guilty of bribing public officials and forging documents in order to secure mining rights to the **Simandou** iron ore deposit.¹ The sentencing follows years of litigation that has focused attention on the complex and shady deal making often characteristic of the cutthroat global mining industry.²

The **Tribunal Correctionnel de Genève** (**Geneva** correctional court) on 22 January found Steinmetz guilty of corrupting foreign agents and forging documents with the aim of obtaining the concession rights to the Simandou iron ore deposit in **Guinea**.³ The prosecution alleged that from 2006 to 2012 Steinmetz paid an estimated \$10m in bribes to Guinean authorities to procure the Simandou mining licence, which **Anglo-Australian** mining giant **Rio Tinto** held at the time.⁴

Steinmetz made overtures to take over the mining deposit in 2005.⁵ In July 2008, former President **Lansana Conte** (1984-2008) issued a presidential decree revoking Rio Tinto's licence to exploit blocks 1 and 2 of the Simandou deposit.⁶ In December 2008, a presidential decree awarded Steinmetz's firm, **Guernsey**-registered **BSG Resources** (ex-**BSGR**), the exploitation rights of Simandou blocks 1 and 2.⁷ The timing of the transaction was suspicious as Conte approved the deal shortly before his death. It is believed the decision was made while Conte was in a coma.⁸ Conte's fourth wife, **Mamadie Touré**, allegedly received \$8.5m in bribes to facilitate BSG Resources' award of the mining permit.⁹

Steinmetz invested \$170m in the mining concession. In 2010 he sold **Brazil**-based mining company **Vale SA** 51% of BSGR's stake in the project for \$2.5 billion and established a joint venture to exploit the Simandou iron ore project.¹⁰ However, in 2012 President **Alpha Condé** (2010-present) withdrew

¹ Bloomberg, 22 Jan 2021

² Guardian, 22 Jan 2021

³ Bloomberg, 22 Jan 2021

⁴ Le Monde, 22 Jan 2021

⁵ Reuters, 22 Jan 2021

⁶ Reuters, 22 Jan 2021

⁷ Reuters, 22 Jan 2021

⁸ London-based political risk CEO

⁹ Bloomberg, 22 Jan 2021

¹⁰ Le Monde, 22 Jan 2021

BSG Resources' permit after discovering the company had obtained the Simandou mining rights through bribery and corruption.¹¹

During the Geneva court proceedings, which commenced on 11 January, Steinmetz denied all accusations against him, maintaining he was simply an adviser and not a decision maker or even a board member of BSG Resources, despite the company bearing his name.¹² Steinmetz stated the real owners of BSG Resources are **Liechtenstein-based Balda Foundation**:

*"I gave recommendations, but it was not me who made the decisions and who took care of the details of the administration and management."*¹³

Presiding judge **Alexandra Banna** dismissed Steinmetz's argument, stating;

*"It emerges that the concessions were obtained by corruption and that Steinmetz collaborated with other people."*¹⁴

Steinmetz called the verdict "*a big injustice*"¹⁵ and accused **United States (US)** billionaire and hedge fund manager **George Soros** of using undue influence to obtain a guilty verdict against him.¹⁶ Soros help to fund the investigation that culminated in BSG Resources' permit being withdrawn in 2012.¹⁷ Steinmetz and his lawyer, **Marc Bonnart**, called into question the pre-trial testimony of Touré, who is currently under US judicial protection after agreeing to cooperate with US authorities.¹⁸ Bonnart has described Touré as "*the corrupt one*", while Steinmetz considers her account "*dishonest*".¹⁹ Bonnart reiterated that Steinmetz had never participated in a bribery pact, citing a lack of evidence and stating his client's intention to appeal the ruling.²⁰

Steinmetz was sentenced alongside **French** national **Frédéric Cilins** and **Belgian** national **Sandra Merloni-Hoermans**, who both received three-and-a-half-year jail terms.²¹ Cilins, a long-time Steinmetz collaborator, has already served a two-year prison term after the **District Court for the Southern District of New York (US)** found him guilty in July 2014 of obstructing justice. The **US Federal Bureau of Investigation (FBI)** discovered recordings in which Cilins offered Touré €20,000 (\$24,225) if she destroyed documents related to the Simandou transaction.²² Cilins will appeal while Merloni-Hoermans, a BSG Resources administrator, has yet to state whether she will challenge the verdict.²³ Cilins and Merloni-Hoermans have respectively been fined CHF 5m (\$5.6m) and CHF 50,000 (\$56,264).²⁴

The Steinmetz case has garnered significant attention on several fronts. According to **Geraldine Viret**, director of Switzerland-based corporate governance watchdog **Public Eye**, it is very rare for Switzerland to try corruption-related cases and is an indication that Switzerland will not abet mining sector corruption.²⁵ US-based law firm **Squire Patton Boggs** mining attorney **Bernard Maier** says the verdict demonstrates a greater desire to promote accountability, transparency and scrutiny in the mining sector.²⁶

¹¹ Le Monde, 22 Jan 2021

¹² Jeune Afrique, 12 Jan 2021

¹³ Jeune Afrique, 22 Jan 2021

¹⁴ Jeune Afrique, 22 Jan 2021

¹⁵ Bloomberg, 22 Jan 2021

¹⁶ Jeune Afrique, 22 Jan 2021

¹⁷ Bloomberg, 25 Feb 2019

¹⁸ Jeune Afrique, 22 Jan 2021

¹⁹ Jeune Afrique, 22 Jan 2021

²⁰ Jeune Afrique, 22 Jan 2021

²¹ Le Monde, 22 Jan 2021

²² Jeune Afrique, 29 Jul 2014

²³ Le Monde, 22 Jan 2021

²⁴ Le Monde, 22 Jan 2021

²⁵ Reuters, 22 Jan 2021

²⁶ Reuters, 22 Jan 2021

While the case was closely followed in Switzerland, the **United Kingdom (UK)** and the US, the verdict may have its most noteworthy immediate ramifications in Guinea.²⁷ Following a mutual agreement between Steinmetz and the Guinean government in February 2019, brokered by former French president **Nicolas Sarkozy** (2007-2012), the two parties agreed to drop all legal proceedings regarding the Simandou iron ore deposit (see *ARC Briefing Guinea March 2019*).²⁸ However, the Guinean government proposed that Steinmetz become an investor in the **Zogota** iron ore project near the border with **Liberia**.²⁹ The project was to be exploited in tandem with UK-based **Niron Metals**, an investment vehicle started by former Switzerland-based **Xstrata** and UK **Conservative Party** co-treasurer **Sir Mick Davis**.³⁰ The project now appears to be on hold indefinitely following Steinmetz's conviction. Zogota's development was already placed in question after the UK-based **London Court of International Arbitration (LCIA)** ordered BSG Resources (BSGR) to pay its former partner, Vale SA, \$1.25 billion, plus costs and interest, in compensation for the termination of its stake in the Simandou iron ore concession in April 2019.³¹ The LCIA found BSGR guilty of fraud and breach of warranty (see *ARC Briefing Guinea April 2019*).³²

President Alpha Condé appoints new cabinet

President Alpha Condé has partially appointed a new government, which will consist of 36 ministerial departments and one general secretariat.³³ However, at the time of publication, Condé had confirmed only 23 cabinet appointments, including 16 members of the previous government.³⁴ The incoming government will have the task of fulfilling the promises Condé made during his bid to be re-elected for a controversial third presidential term.³⁵

Ibrahima Kassory Fofana will continue as prime minister, a position he has held since May 2018.³⁶ Kassory Fofana tendered his resignation and that of his government to Condé on 15 January, a formality undertaken in anticipation of a cabinet reshuffle.³⁷ Condé reappointed Kassory Fofana the same day.³⁸

Condé issued a communiqué on 19 January listing the appointment of 13 members of the previous government. Some of the more strategic portfolios include:

Minister	Cabinet position ³⁹
Mohamed Diané	Minister of state in charge of presidential affairs and defence
Gen. Bouréma Condé	Territorial administration and decentralisation
Albert Damatang	Security and civil protection
Mory Doumboya	Justice and Keeper of the Seals
Mamadi Camara	Economy and finance
Ismael Dioubate	Budget
Mama Kanny Diallo	Planning and economic development
Ibrahim Kalil Kaba	Foreign affairs

²⁷ Guardian, 22 Jan 2021

²⁸ Bloomberg, 25 Feb 2019

²⁹ Financial Times, 25 Feb 2019

³⁰ Financial Times, 25 Feb 2019

³¹ Mining Weekly, 10 Apr 2019

³² Mining Weekly, 10 Apr 2019

³³ GuinéeNews.org, 18 Jan 2021

³⁴ ARC Guinea analyst

³⁵ ARC Guinea analyst

³⁶ Jeune Afrique, 20 Jan 2021

³⁷ VOA, 15 Jan 2021

³⁸ Aminata.com, 18 Jan 2021

³⁹ GuinéeNews.org, 19 Jan 2021

Abdoulaye Magassouba	Mines and geology
Mamadou Bello	Public service
Alpha Amadou Baro	National education
Papa Koly Kourouma	Minister of state in charge of water and sanitation

Ibrahim Kalil Kaba replaces **Mamadi Touré** as minister of foreign affairs.⁴⁰ Touré is now a minister counselor at the presidency.⁴¹ On 21 January, Condé re-appointed **Abdoulaye Magassouba** as mines and geology minister; **Mamadou Bello** as public service minister; and **Alpha Amadou Baro** as national education minister.⁴² Condé reconfirmed his ally, **Papa Koly Kourouma**, as minister of state in charge of water and sanitation on 23 January.⁴³ **Kadiatou Émilie Diaby**, who served as the **African Development Bank's (AfDB)** country representative to **Togo** before her nomination, replaces **Moustapha Naite** as public works minister.⁴⁴

During his 15 December inauguration ceremony Condé declared he would govern differently during his six-year presidential mandate (see *ARC Briefing Guinea December 2020*).⁴⁵ However, his appointments so far indicate that he has opted for continuity instead.⁴⁶ Of the 23 ministers appointed to date, 16 were ministers in the last government, while 13 of those have retained their previous positions.⁴⁷

The reappointment of **Zénab Djenab Dramé** as technical education, professional training and employment minister has raised eyebrows amid ongoing investigations into her alleged misappropriation of 200 billion GNF (\$20m) in a scandal that Guineans are calling “*Zenabgate*” (see *ARC Briefing Guinea December 2020*).⁴⁸ The youth league of the ruling **Rassemblement du Peuple de Guinée Arc-en-ciel (RPG Arc-en-Ciel)** has opposed Dramé’s nomination to cabinet, calling for her dismissal on 24 January in a memo to Condé.⁴⁹ The RPG Arc-en-Ciel political bureau condemned the memo on 25 January, calling on party members to be disciplined and avoid making baseless accusations.⁵⁰

Condé’s decision to maintain Kassory Fofana as head of government came as no surprise, according to Guinea-based political analyst **Kabinet Fofana**.⁵¹ Fofana believes the reappointment was reward for the unwavering support Kassory Fofana showed Condé during the latter’s push for a constitutional amendment and for coordinating his presidential campaign.⁵² Kabinet Fofana claims Kassory Fofana is a relatively popular figure within the RPG Arc-en-Ciel.⁵³ The prime ministers immediate tasks will include making good on Condé’s promise to fight corruption, and restarting political dialogue with the opposition to address Guinea’s on-going socio-political impasse.⁵⁴ Kassory Fofana will also need to formulate a post-**Covid-19** economic recovery agenda and ensure that the benefits of Guinea’s economic growth, especially from mining activity, are fairly distributed to the rest of the country.⁵⁵

⁴⁰ Jeune Afrique, 20 Jan 2021

⁴¹ Jeune Afrique, 20 Jan 2021

⁴² GuinéeNews.org, 21 Jan 2021

⁴³ GuinéeNews.org, 20 Jan 2021

⁴⁴ Jeune Afrique, 20 Jan 2021

⁴⁵ Jeune Afrique, 15 Dec 2020

⁴⁶ ARC Guinea analyst

⁴⁷ Jeune Afrique, 20 Jan 2021

⁴⁸ GuinéeNews.org, 26 Nov 2020

⁴⁹ GuinéeNews.org, 24 Jan 2021

⁵⁰ GuinéeNews.org, 25 Jan 2021

⁵¹ Jeune Afrique, 20 Jan 2021

⁵² Jeune Afrique, 20 Jan 2021

⁵³ Jeune Afrique, 20 Jan 2021

⁵⁴ Jeune Afrique, 20 Jan 2021

⁵⁵ Jeune Afrique, 20 Jan 2021

UMS buys France-based alumina producer Alteo

Guinean logistics and mining specialist **United Mining Supply (UMS)** has bought France-based alumina producer **Alteo** after the **Tribunal de Commerce de Marseille** (France) approved the transaction on 7 January. UMS is owned by prominent French-Guinean businessman **Fadi Wazni** who says the deal will enable UMS to strengthen its presence across the entire aluminium value chain and improve the group's diversification of activities.⁵⁶ The sale will allow the operations of one of France's oldest aluminium producers to continue, while Wazni will be able to integrate Alteo's activities into his already broad portfolio of business interests.⁵⁷ Alteo imports bauxite, a raw material used in aluminium production, from Guinea, the world's third largest producer, which registered output of 70.m tonnes in 2019.⁵⁸

The Marseille commercial tribunal authorised UMS' takeover of Alteo after declaring that the company had the financial capacity to assume Alteo's activities.⁵⁹ Alteo had filed for receivership in December 2019, in the wake of falling demand for aluminium, which precipitated a crisis in the global aluminium industry.⁶⁰ Following Alteo's bankruptcy declaration, eight candidates initially expressed interest in purchasing the firm.⁶¹ Former Alteo manager **Xavier Perrier** dropped out of the bidding proceedings on 8 December due to lack of funding.⁶² Perrier had committed to maintaining industrial activity and preserving jobs but had not addressed the issue of Alteo's debt.⁶³ UMS thus remained the sole bidder for Alteo.

UMS has proposed a recovery plan in terms of which it will purchase shares from Alteo's main shareholder, US-based investment fund **HIG**, which has been Alteo's majority owner since 2012. UMS will take on part of Alteo's debt and phase out the import of bauxite over 12-18 months in view of environmental concerns. Alteo's creditors, including contractors and suppliers, support UMS' recovery plan and have agreed to waive 80% of debts owed to them.⁶⁴ Alteo's liabilities amount to €156m (\$188.3m), according to the Marseille court.⁶⁵

Aluminum is the base product for consumer products such as smartphone screens and lithium batteries used in electric cars.⁶⁶ UMS plans to invest €30m (\$36.2m) to commission a new furnace to manufacture high added-value alumina.⁶⁷ Wazni intends to close the alumina refinery unit at **Gardanne** (France) in favour of importing alumina.⁶⁸ Although closure of the plant which will lead to 98 job losses, Wazni has said he intends to retain all 480 Alteo employees, suggesting that workers will be reclassified, with some offered employment in his Guinean businesses.⁶⁹

With his purchase of Alteo, the **Lebanese**-born Wazni has added to an already impressive business portfolio. Wazni is chairman of Guinea's leading bauxite producer, **Société Minière de Boké (SMB)**, in which UMS has a 30% shareholding alongside **Chinese-Singaporean** consortium **Winning Shipping** and China-based **Shandong Weiqiao**.⁷⁰ Wazni is also a shareholder in **Winning Consortium Simandou (WCS)**,⁷¹ which won the international tender to develop blocks 1 and 2 of the

⁵⁶ GuinéeNews.org, 26 Jan 2021

⁵⁷ ARC Guinea Analyst

⁵⁸ Agence Ecofin, 24 Nov 2020

⁵⁹ Le Figaro, 7 Jan 2021

⁶⁰ Le Figaro, 7 Jan 2021

⁶¹ Le Figaro, 7 Jan 2021

⁶² Le Monde, 7 Jan 2021

⁶³ Le Monde, 7 Jan 2021

⁶⁴ Le Figaro, 7 Jan 2021

⁶⁵ Le Figaro, 7 Jan 2021

⁶⁶ Times of Malta, 8 Jan 2021

⁶⁷ Jeune Afrique, 15 Jan 2021

⁶⁸ Jeune Afrique, 15 Jan 2021

⁶⁹ Jeune Afrique, 15 Jan 2021

⁷⁰ GuinéeNews.org, 26 Jan 2021

⁷¹ GuinéeNews.org, 26 Jan 2021

\$14 billion Simandou iron ore project in November 2019.⁷² Wazni, an ally of President Condé,⁷³ has indicated that the Alteo buyout will not affect UMS' plans to promote local processing, as Wazni has earmarked the construction of an alumina refinery in Guinea as part of the **Boké-Boffa** bauxite project.⁷⁴

Planner

Jul 2021 **Montpellier (France)** France-Afrique Summit
 (Date TBA due to Covid-19) **Conakry (Guinea)** Transform Africa Conference;
 2026 **Conakry (Guinea)** Start of exploitation at the **Simandou** iron ore project;

Chronology

24 Jan 2021 **Conakry (Guinea)** *Guinéenews.org*. The youth league of the ruling **RPG-arc-en-ciel** calls for dismissal of technical education and professional training minister **Zénab Nabaya Dramé** following her reappointment to cabinet, despite allegations she embezzled 200 billion GNF (\$19.8m);

23 Jan 2021 **Conakry (Guinea)** *RFI*. The **European Union (EU)** has called on the Guinean government to launch an independent investigation into the death of opposition supporter **Mamadou Oury Barry**, who died in January after being held in pre-trial detention since August following his arrest during anti-government protests;

22 Jan 2021 **Geneva (Switzerland)** *Bloomberg*. The **Tribunal Correctionnel de Geneve** (Geneva correctional court) has sentenced **Franco-Israeli** billionaire and diamond magnate **Benny Steinmetz** to five years' imprisonment and a CHF 50m (\$56m) fine for bribing public officials in **Guinea** to secure the rights to mining concessions;

20 Jan 2021 **Conakry (Guinea)** *Jeune Afrique*. President **Alpha Condé** nominates a 36-member cabinet and reappoints 16 ministers from his previous government;

18 Jan 2021 **Conakry (Guinea)** *Guinéenews.org*. President **Alpha Condé** reappoints **Ibrahima Kassory Fofana** as prime minister, following the latter's resignation;

15 Jan 2021 **Conakry (Guinea)** *Guinéenews.org*. The planning and economic development ministry, **African Development Bank (AfDB)** and **United Nations Development Programme (UNDP)** sign a tripartite agreement to allocate \$15m towards financing youth employment opportunities;

12 Jan 2021 **Conakry (Guinea)** *Mining Weekly*. **Australia**-based **Golden Rim Resources** has acquired an initial 25% interest in the **Kada** gold project, with the company issuing \$2.5m worth of shares to the vendor, **Turkey**-based **Elta**;

9 Jan 2021 **Conakry (Guinea)** *Vision Guinée*. During a visit to Guinea by **Mali**'s vice president, **Assimi Goita**, President **Alpha Condé** declares Guinea's availability to provide assistance to Mali as it pursues its political transition;

8 Jan 2021 **Conakry (Guinea)** *Times of Malta*. The **Tribunal de Commerce de Marseille (France)** has authorised Guinea-based mining firm **United Mining Supply (UMS)** to acquire France-based aluminum firm **Alteo**;

31 Dec 2020 **Conakry (Guinea)** *RFI*. Guinea begins mass **Covid-19** vaccination of its population administering the **Russian**-manufactured **Sputnik V** vaccine;

31 Dec 2020 **Conakry (Guinea)** *Vision Guinée*. President **Alpha Condé** announces that

⁷² Mining.com, 20 Oct 2020

⁷³ ARC Guinea Analyst

⁷⁴ Guinéenews.org, 26 Jan 2021

construction of seven hydroelectric dams across Guinea will commence in 2021;

30 Dec 2020 **Conakry (Guinea)** *GuinéeNews.org*. Parliament adopts the GNF 27,739 billion (\$2.7 billion) 2021 budget;

30 Dec 2020 **Conakry (Guinea)** *GuinéeNews.org*. Authorities have reportedly prevented opposition leader and 2020 presidential runner-up **Cellou Dalein Diallo** from leaving Guinea;

30 Dec 2020 **Conakry (Guinea)** *RFI*. Guinean leaders call for dialogue following inter-communal violence from 26-27 December that claimed the lives of 11 people in **Macenta**;

18 Dec 2020 **Conakry (Guinea)** *Agence Ecofin*. The **African Development Bank** (AfSB) approves an \$11.64m grant for the **Projet d'Appui à la Mobilisation des Ressources Internes et à la Formalisation des Entreprises (PAMORIFE)** (mobilisation of internal resources and the formalisation of businesses support project);

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