

United States of America v. Jean Boustani

Michael S. Schachter | Randall W. Jackson

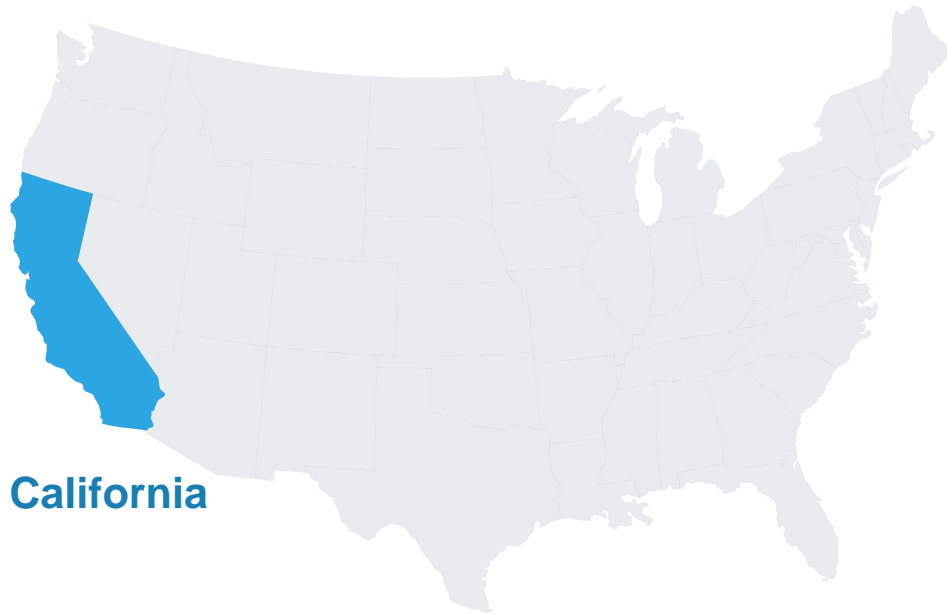
May 7, 2020

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Prinvest specializes in innovative naval, commercial and superyacht design and engineering with state of the art facilities across Europe and the Arabian Gulf.

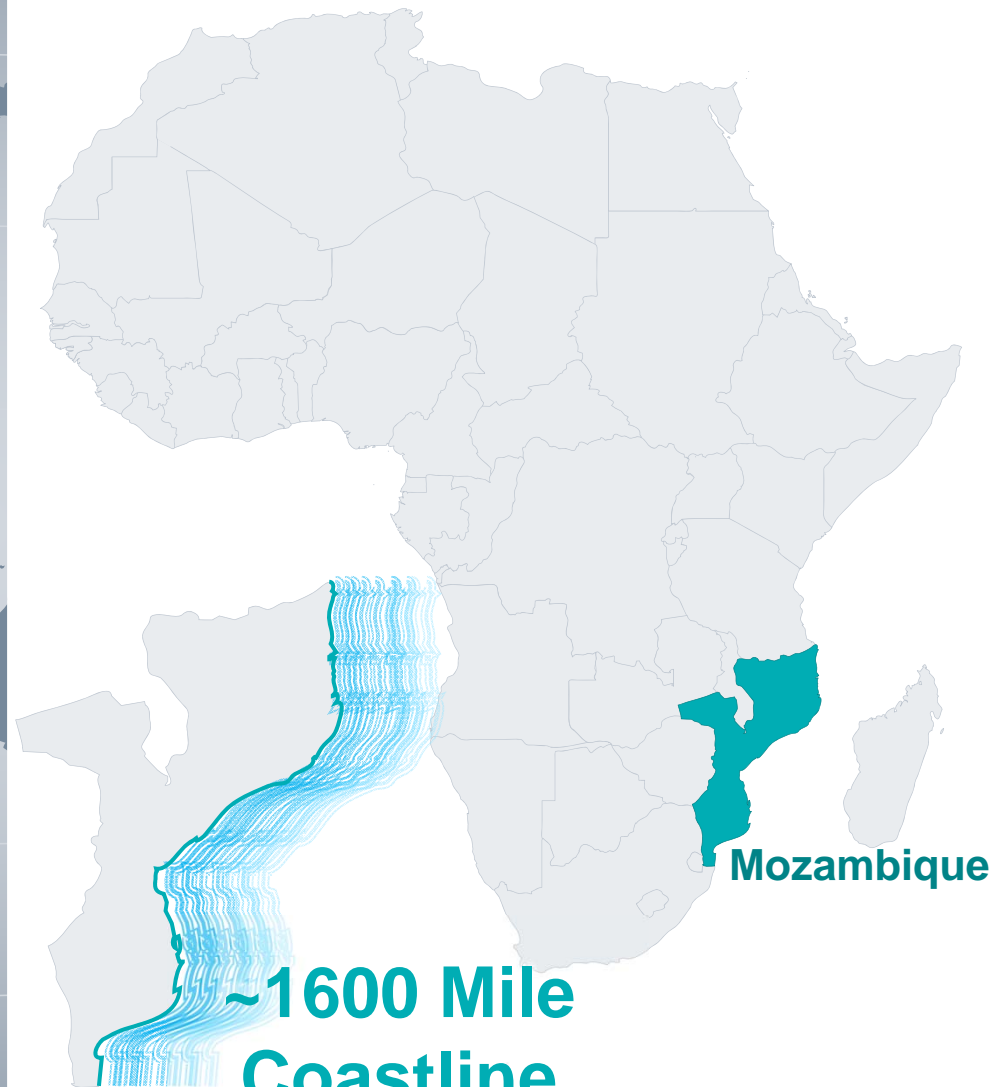


Mozambique's Coastline Is Double Length Of California



California

**~800 Mile
Coastline**



Mozambique

**~1600 Mile
Coastline**

Wall Street Journal Reports on Mozambique Debt

MARKETS

Tuna and Gunships: How \$850 Million in Bonds Went Bad in Mozambique

Debt deal highlights the hazards for investors looking for high returns in emerging markets



A traditional fishing boat plies the waters off the Mozambique coast. PHOTO: MIKE HUTCHINGS/REUTERS

By Matt Wirz and Julie Wernau
April 3, 2016 5:30 am ET

Mozambique is becoming a case study on the world's financial system.

Global investors who in 2013 thought they were lending a state-owned company \$850 million to buy a tuna fishing fleet learned within months that the funds had been diverted to buy ships for the navy. Two years later, they were told Mozambique intended to restructure the bonds, because the fishing company's revenue wasn't holding up.

Now, they are learning that Credit Suisse Group AG, which led the bond sale with a Russian bank, had made another sizable loan to Mozambique around the same time of the original bond sale.

The end result is that Mozambique is deeper in debt, paying higher interest on the new restructured bonds and weathering a downgrade of its credit rating to "selective default."

Investors are left with bonds that are likely worth less than they thought before learning about the other loans. And there still isn't much to show in the way of tuna.

<https://www.wsj.com/articles/tuna-and-gunships-how-850-million-in-bonds-went-bad-in-mozambique-1459675803>

THE WALL STREET JOURNAL.

Global investors who in 2013 thought they were lending a state-owned company \$850 million to buy a tuna fishing fleet learned within months that the funds had been diverted to buy ships for the navy. Two years later, they were told Mozambique intended to restructure the bonds, because the fishing company's revenue wasn't holding up.

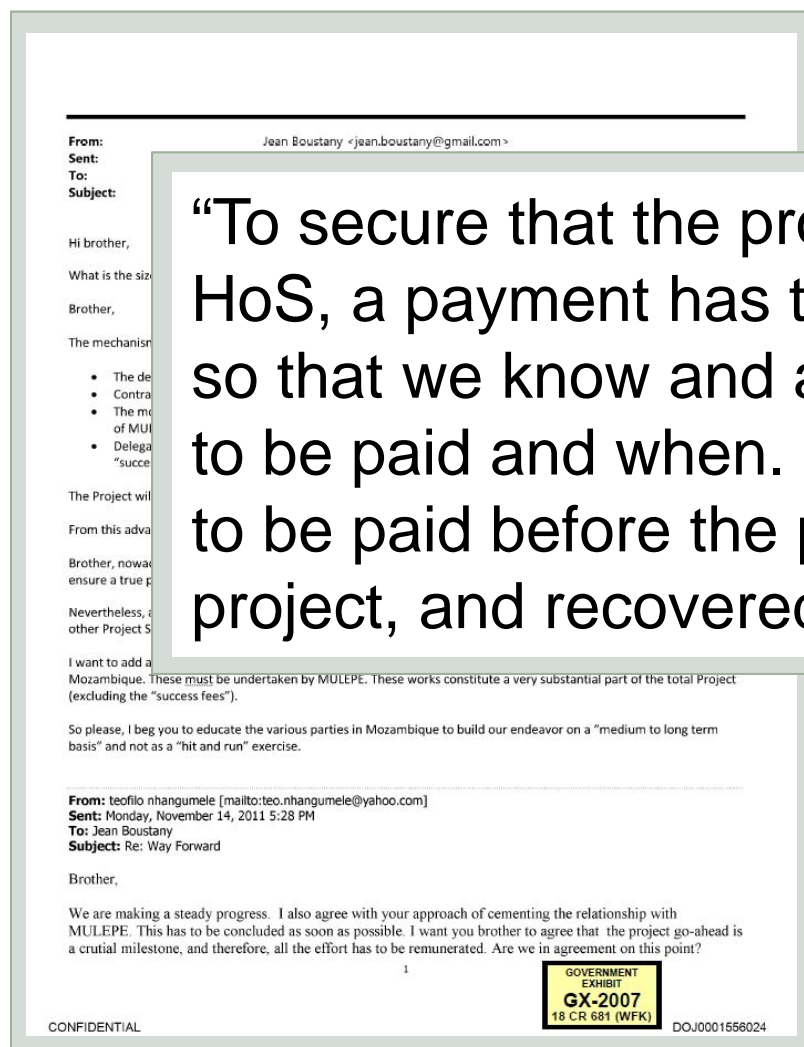
Now, they are learning that [Credit Suisse Group AG](#) [CS -1.05% ▼](#), which led the bond sale with a Russian bank, had made another sizable loan to Mozambique around the same time of the original bond sale.

The end result is that Mozambique is deeper in debt, paying higher interest on the new restructured bonds and weathering a downgrade of its credit rating to "selective default." Investors are left with bonds that are likely worth less than they thought before learning about the other loans. And there still isn't much to show in the way of tuna.

(<https://www.wsj.com/articles/tuna-and-gunships-how-850-million-in-bonds-went-bad-in-mozambique-1459675803>.)

WILLKIE FARR & GALLAGHER LLP

Gmail Search Warrant Evidence



“To secure that the project is granted a go-ahead by the HoS, a payment has to be agreed before we get there, so that we know and agree, well in advance, what ought to be paid and when. . . . Whatever advance payments to be paid before the project, they can be built in the project, and recovered.”

(GX-2007.)

WILLKIE FARR & GALLAGHER LLP

Gmail Search Warrant Evidence

From: Jean Boustany <jean.boustany@gmail.com>
Sent: Monday, November 14, 2011 3:48 PM
To: 'teofilo nhangumele'
Subject: RE: Way Forward

Hi brother,

What is the size of the fund we are talking about? What about the budget of the Mozambique Authorities for EEZ ?

Brother,

The mechanism is simple:

- The delegation is invited by us to Abu Dhabi
- Contract negotiations are on in Abu Dhabi
- The mo
- of MUL
- Delega
- "succes

The Project will

From this adva

Brother, nowac
ensure a true p

Nevertheless, a
other Project S

I want to add a
Mozambique. T
(excluding the

So please, I beg
basis" and not

From: teofilo n
Sent: Monday,
To: Jean Boust
Subject: Re: Way Forward

Brother,

We are making a steady progress. I also agree with your approach of cementing the relationship with MULEPE. This has to be concluded as soon as possible. I want you brother to agree that the project go-ahead is a crucial milestone, and therefore, all the effort has to be remunerated. Are we in agreement on this point?

1

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GOVERNMENT
EXHIBIT
GX-2007
18 CR 681 (WFK)

DOJ0001556024

“You will agree with me if I say that in democratic governments like ours people come and go, and everyone involved will want to have his/her share of the deal while in office, because once out of the office it will be difficult.”

(GX-2007.)

WILLKIE FARR & GALLAGHER LLP

Gmail Search Warrant Evidence

From:
Sent:
To:
Subject:

LOLLLLLLLLLLLLLLLL

I love your chicks

Done

-----Original Message-----
From: Teofilo Nhangumele [mailto:teo.nhangumele@yahoo.com]
Sent: Wednesday, December 28, 2011 8:27 PM
To: jean.boustany@gmail.com
Subject: Re: Figures

Fine brother. I have consulted and please put 50 million chickens. Whatever numbers you have on your poultry I will add 50 million of my breed.

Regards

Teo

Sent from my iPad

On 28 Dec 2011,

> Brother,
>
> I can't push my
holders portion.
>
> I need a % or figure. You know our range bro.
>
> I need yours too.
>
> The proposal will be addresses to HoS (the big boss) after clubbing
> all
figures. It is a must.
>
> If it is too early, I can send you the proposal for the concept with
> no
figures.
> -----Original Message-----
> From: Teofilo Nhangumele
> To: jean.boustany@gmail.com

1

GOVERNMENT
EXHIBIT
GX-2013
(18 CR 60) (3775)

CONFIDENTIAL

DOJ0001420078

(GX-2013.)

WILLKIE FARR & GALLAGHER LLP

:

Gmail Search Warrant Evidence

GX 2808A, Excerpt of Tab "New Conso"

<i>Partners</i>			
<i>Ematum</i>	<i>-\$8,000,000</i>	<i>-\$3,300,000</i>	<i>-\$400,000</i>
<i>Proindicus Ph4</i>			<i>-\$880,000</i>
<i>EUG Ph4</i>		<i>-€ 500,000</i>	
<i>DG PH4</i>		<i>-€ 1,000,000</i>	<i>-\$1,500,000</i>
<i>AP</i>		<i>-€ 700,000</i>	<i>-\$1,000,000</i>
<i>Ros</i>	<i>on hold</i>		<i>-\$500,000</i>
<i>CH</i>			<i>-\$400,000</i>
<i>JB</i>			
<i>Esalt</i>			<i>\$0</i>
<i>Bruno</i>	<i>on hold</i>		<i>-\$100,000</i>
<i>Bassy</i>	<i>on hold</i>		<i>-\$100,000</i>
<i>Prof</i>	<i>on hold</i>		<i>-\$1,000,000</i>
<i>ArGe</i>			
<i>Rosario</i>	<i>-\$8,700,000</i>	<i>-\$650,000</i>	<i>-\$730,000</i>
<i>CH</i>	<i>-\$5,000,000</i>	<i>-\$1,500,000</i>	<i>-\$2,000,000</i>
<i>DG</i>		<i>-\$3,670,000</i>	<i>-\$3,300,000</i>
<i>ArGe</i>			<i>-\$5,915,000</i>
<i>JB</i>			<i>-\$1,000,000</i>
<i>ESALT</i>		<i>\$0</i>	<i>\$0</i>
<i>Surjan</i>		<i>-\$800,000</i>	<i>-\$800,000</i>
<i>Petrosius</i>		<i>-\$500,000</i>	

(Dkt. No. 317 at 2 (excerpt of GX-2808-A).)

DOJ Could Not Charge Mr. Boustani With FCPA Violations

[T]he FCPA clearly dictates that foreign nationals may only violate the statute outside the United States if they are agents, employees, officers, directors, or shareholders of an American issuer or domestic concern.

United States v. Hoskins, No. 16-1010 (2d Cir. 2018).

The Alleged Wire Fraud, Securities Fraud, and Money Laundering Conspiracies

Case 1:18-cr-00681-WFK Document 1 Filed 12/19/18 Page 1 of 47 Entered: 12/19/18 1:11 PM

JMK:MSA/MEB/MAM/SOD/DF
F. #2016R00695

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- against -

JEAN BOUSTANI,
also known as "Jean Boustany,"
NAJIB ALLAM,
also known as "Naji Allam,"
MANUEL CHANG,
ANTONIO DO ROSARIO,
TEOFILO NHANGUMELE,
ANDREW PEARSE,
SURJAN SINGH and
DETELINA SUBEVA,

Defendants.

THE GRAND JURY CHARGES:

At all times relevant to this Indictment

I. The Defendants and Relevant Entities

1. The Republic of Mozambique
2. Proindicus S.A. ("Proindicus")

("EMATUM") and Mozambique Asset Management

controlled and overseen by the Government of Mozambique that performed functions that the Government of Mozambique treated as its own, and were thus "instrumentalities" of a foreign government within the meaning of the Foreign Corrupt Practices Act ("FCPA"), Title

The Charges Against Mr. Boustani:

1. Conspiracy to Commit Wire Fraud,
18 U.S.C. § 1349.
2. Conspiracy to Commit Securities Fraud,
18 U.S.C. § 371.
3. Conspiracy to Commit Money Laundering,
18 U.S.C. § 1956(h).

(Indictment, *United States v. Boustani, et al.*, No. 18-cr-681 (E.D.N.Y. Dec. 18, 2018).)

WILLKIE FARR & GALLAGHER LLP

The Alleged Wire Fraud, Securities Fraud, and Money Laundering Conspiracies

III. The Fraudulent Scheme

A. Overview

24. Through a series of financial transactions between approximately 2013 and 2016, Proindicus, EMATUM and MAM borrowed in excess of \$2 billion through loans guaranteed by the Mozambican government. The loans were arranged by Investment Bank 1 and Investment Bank 2 and sold to investors worldwide, including in the United States.

Over the course of the transactions, the co-conspirators, among other things, conspired to defraud investors and potential investors in the Proindicus, EMATUM and MAM financings through numerous material misrepresentations and omissions relating to, among other things: (i) the use of loan proceeds, (ii) bribe and kickback payments to Mozambican government officials and bankers, (iii) the amount and maturity dates of debt owed by Mozambique, and (iv) Mozambique's ability and intention to pay back the investors.

Case 1:18-cr-00681-WFK

JMK:MSA/MEB/MAM/SOD/D
F. #2016R00695

UNITED STATES DISTRICT
EASTERN DISTRICT OF NEW

UNITED STATES OF AMERICA

- against -

JEAN BOUSTANI,
also known as "Jean Bou
NAJIB ALLAM,
also known as "Naji All
MANUEL CHANG,
ANTONIO DO ROSARIO,
TEOFILO NHANGUMELE,
ANDREW PEARSE,
SURJAN SINGH and
DETELINA SUBEVA,

Defendants

THE GRAND JURY CHARGE

At all times relevant to t

I. The Defendants and Rel

1. The Repul

2. Proindicus

("EMATUM") and Mozambiqu

controlled and overseen by the

the Government of Mozambiqu

foreign government within the

The Alleged Wire Fraud, Securities Fraud, and Money Laundering Conspiracies

Case 1:18-cr-00681-WFK

JMK:MSA/MEB/MAM/SOD/D
F. #2016R00695

UNITED STATES DISTRICT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- against -

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DETELINA SUBEVA,

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THE GRAND JURY CHARGE

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controlled and overseen by the Government of Mozambique that performed functions that the Government of Mozambique treated as its own, and were thus "instrumentalities" of a foreign government within the meaning of the Foreign Corrupt Practices Act ("FCPA"), Title

25. Each of the companies entered into contracts with Privinvest to provide equipment and services to complete the maritime projects. The loan proceeds were supposed to be used exclusively for the maritime projects, and nearly all of the borrowed money was paid directly to Privinvest, the sole contractor for the projects, to benefit Mozambique and its people. In reality, the defendants JEAN BOUSTANI, NAJIB ALLAM, MANUEL CHANG, ANTONIO DO ROSARIO, TEOFILO NHANGUMELE, ANDREW PEARSE, SURJAN SINGH and DETELINA SUBEVA, together with others, created the maritime projects as fronts to raise money to enrich themselves and intentionally diverted portions of the loan proceeds to pay at least \$200 million in bribes and kickbacks to themselves, Mozambican government officials and others.

(Indictment ¶ 25, *United States v. Boustani, et al.*, No. 18-cr-681 (E.D.N.Y. Dec. 18, 2018).)

WILLKIE FARR & GALLAGHER LLP

The Alleged Bribery and Kickback Scheme in Mozambique

Case 1:18-cr-00681-WFK Document 1 Filed 12/19/18 Page 1 of 47
F. #2016R00695
UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK
UNITED STATES OF AMERICA
- against -
JEAN BOUSTANI,
also known as "Jean E"
NAJIB ALLAM,
also known as "Naji A"
MANUEL CHANG,
ANTONIO DO ROSARIO,
TEOFILO NHANGUMELE,
ANDREW PEARSE,
SURJAN SINGH and
DETELINA SUBEVA,
Defendants.
THE GRAND JURY CHARGES:
INTRODUCTION
At all times relevant to this Indictment, unless otherwise indicated:
I. The Defendants and Relevant Entities and Individuals
1. The Republic of Mozambique was a sub-Saharan African nation.
2. Proindicus S.A. ("Proindicus"), Empresa Moçambicana de Atum, S.A. ("EMATUM") and Mozambique Asset Management ("MAM") were companies owned, controlled and overseen by the Government of Mozambique that performed functions that the Government of Mozambique treated as its own, and were thus "instrumentalities" of a foreign government within the meaning of the Foreign Corrupt Practices Act ("FCPA"), Title

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U.S. DISTRICT COURT E.D.N.Y.
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26. The co-conspirators applied only a portion of the loan proceeds towards the maritime projects. In furtherance of the scheme, Privinvest charged inflated prices for the equipment and services it provided, which were then used, at least in part, to pay bribes and kickbacks. After conducting little or no business activity, Proindicus, EMATUM and MAM each defaulted on their loans.

(Indictment ¶ 26, *United States v. Boustani, et al.*, No. 18-cr-681 (E.D.N.Y. Dec. 18, 2018).)

WILLKIE FARR & GALLAGHER LLP

The Alleged Kickback Payments to Credit Suisse Investment Bankers

Case 1:18-cr-00681-WFK Document 1 Filed 12/19/18 Page 1 of 47
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U.S. DISTRICT COURT E.D.N.Y.

JMK:MSA/MEB/MAM/S
F. #2016R00695

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- against -

JEAN BOUSTANI,
also known as "Jean"
NAJIB ALLAM,
also known as "Najib"
MANUEL CHANG,
ANTONIO DO ROSARIO,
TEOFILO NHANGUMBA,
ANDREW PEARSE,
SURJAN SINGH and
DETELINA SUBEVA,

D

THE GRAND JURY CHARGE

At all times relevant

I. The Defendants are

1. The

2. Proi

("EMATUM") and Mozambique

controlled and overseen by

the Government of Mozambique

foreign government within the meaning of the Foreign Corrupt Practices Act ("FCPA"), Title

56. Throughout 2013 and 2014, using loan proceeds, Privinvest made numerous kickback payments to the defendant ANDREW PEARSE. On or about April 15, 2013, PEARSE opened a bank account at a bank in Abu Dhabi, UAE ("UAE Bank 2"), the identity of which is known to the Grand Jury. After PEARSE opened the account, Privinvest wired bribe and kickback payments of more than \$45 million from UAE Bank 1 accounts to PEARSE's UAE Bank 2 account. Each payment was denominated in United States dollars and each was routed and completed through the UAE banks' correspondent bank accounts in New York City and passed through the Eastern District of New York, as follows:

(Indictment ¶ 56, *United States v. Boustani, et al.*, No. 18-cr-681 (E.D.N.Y. Dec. 19, 2018).)

WILLKIE FARR & GALLAGHER LLP

The Alleged Kickback Payments to Credit Suisse Investment Bankers

Case 1:18-cr-00681-WFK Document 1 Filed 12/19/18 Page 1 of 47
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U.S. DISTRICT COURT E.D.N.Y.

JMK:MSA/MEB/MAM
F. #2016R00695

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA
- against -
JEAN BOUSTANI,
also known as "J
NAJIB ALLAM,
also known as "N
MANUEL CHANG,
ANTONIO DO ROSAR
TEOFILO NHANGUM
ANDREW PEARSE,
SURJAN SINGH and
DETELINA SUBEVA,

57. The defendant ANDREW PEARSE shared some of the bribes and kickbacks that he received from the fraudulent loan proceeds with the defendant DETELINA SUBEVA. On or about and between June 12, 2013 and October 27, 2013, PEARSE transferred a total of approximately \$2.2 million from bank accounts he held at UAE Bank 2 to a bank account SUBEVA held at UAE Bank 2.

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THE GRAND JURY CHARGES:

INTRODUCTION

At all times relevant to this Indictment, unless otherwise indicated:

I. The Defendants and Relevant Entities and Individuals

1. The Republic of Mozambique was a sub-Saharan African nation.
2. Proindicus S.A. ("Proindicus"), Empresa Moçambicana de Atum, S.A. ("EMATUM") and Mozambique Asset Management ("MAM") were companies owned, controlled and overseen by the Government of Mozambique that performed functions that the Government of Mozambique treated as its own, and were thus "instrumentalities" of a foreign government within the meaning of the Foreign Corrupt Practices Act ("FCPA"), Title

(Indictment ¶ 57, *United States v. Boustani, et al.*, No. 18-cr-681 (E.D.N.Y. Dec. 19, 2018).)

WILLKIE FARR & GALLAGHER LLP

The Alleged Kickback Payments to Credit Suisse Investment Bankers

Case 1:18-cr-00681-WFK Document 1-1 Filed 12/19/18 Page 1 of 1

JMK:MSA/MEB/MAM/SOD/DF
F. #2016R00695

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA

- against -

JEAN BOUSTANI,
also known as "Jean Boustany,"
NAJIB ALLAM,
also known as "Naji Allam,"
MANUEL CHANG,
ANTONIO DO ROSARIO,
TEOFILO NHANGUMELE,
ANDREW PEARSE,
SURJAN SINGH and
DETELINA SUBEVA,

Defendants.

THE GRAND JURY CHARGES:

At all times relevant to this Indictment,

I. The Defendants and Relevant Parties

1. The Republic of Mozambique
2. Proindicus S.A.

("EMATUM") and Mozambique Assets, which are controlled and overseen by the Government of Mozambique treat the Government of Mozambique treat the Government of Mozambique treat the foreign government within the meaning of the Foreign Corrupt Practices Act.

74. The defendant SURJAN SINGH also received bribe and kickback payments directly from Privinvest for his role in the fraudulent scheme. Specifically, on or about October 20, 2013, the defendant ANDREW PEARSE sent an email to the defendant JEAN BOUSTANI with SINGH's bank account information at UAE Bank 2, referring to SINGH as "Uncle," and adding, "[i]f we can do something this week he would appreciate it." That same day, on or about October 20, 2013, BOUSTANI forwarded the request to the defendant NAJIB ALLAM, writing, "Uncle . . . Surjan. Total of 4."

75. On or about and between October 23, 2013 and February 27, 2014, Privinvest wired approximately six payments totaling approximately \$4.49 million from its bank account at UAE Bank 1 to the defendant SURJAN SINGH's UAE Bank 2 account. Each payment was routed through the UAE banks' correspondent bank accounts in New York City. Privinvest made the following bribe and kickback payments to SINGH:

Government Argued Victim U.S. Investors Suffered “Staggering Losses”

Case 1:18-cr-00681-WFK Document 27 Filed 01/16/19 Page 1 of 13 PageID #: 407



JMK:MSA/MEB/MAM/SOL
F. #2016R00695

By Hand and ECF

The Honorable William F. Kuntz
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Re: United States
Criminal

Dear Judge Kuntz:

The government
Jean Boustani's appeal of the
by United States Magistrate
appeal, filed on January 8, 2019,
wealth to create a private jail
21 ("Def. Appeal"). However,
reasonably assure the defendant
uphold Magistrate Judge Kuntz's
set forth below, continued de
evidence shows that the defe

- was a central orga
laundering schem
bribes and kickba
investment banke
- personally receiv
- has no ties to the
- lives and works in
have no extraditio
- has ties to the bill
("Prinvest"), a
dollars in illicit pr

1. The Nature and Circumstances of the Offense

The nature and circumstances of the offense are serious and favor detention here. As a result of the scheme, the Mozambican companies and the Mozambican government have defaulted on \$2 billion in loans, and have already missed more than \$700 million in loan payments. Even if the Guidelines loss amount was calculated using only the \$700 million in loan payments missed thus far, the defendant would face a recommended Guidelines' sentence of life imprisonment, which would be truncated to the cumulative statutory maximum applicable to him, which is 55 years' imprisonment.³

In addition to this serious potential sentence and the staggering losses to investors, including investors in the United States, the real world effect of the defendant's actions favor a serious sentence here. The defendant's actions helped devastate the economy of one of the world's poorest nations. As a direct result of the bribes and kickbacks the defendant orchestrated and paid, secret government guarantees he procured and bloated borrowing and lending by corrupt government officials and bankers, Mozambique defaulted on its loans. In addition, the scheme caused the International Monetary Fund to withhold financial support to Mozambique, creating a severe financial crisis. If the defendant were convicted, the financial and humanitarian disaster occasioned by the fraud scheme would weigh heavily in favor of a significant sentence under the applicable factors set out in 18 U.S.C. § 3553.

Round One Did Not Go Well . . .

- **Pretrial Release to Private Security - DENIED:**
 - Bail Application with Private Security → Denied.
 - Appeal to Second Circuit → Affirmed.
 - Renewed Bail Application with Private Security → Denied.
 - Renewed Appeal to Second Circuit → Affirmed.
 - Motion for Bail to U.S. Supreme Court → Denied.

- **Demand for Speedy Trial - DENIED:**
 - Denied because the case was “complex.”

Credit Suisse Investment Bankers Plead Guilty and Cooperate



Detelina Subeva Guilty Plea May 20, 2019:

I agreed with others to help launder the proceeds of criminal activity, namely, illegal kickbacks paid by a company called Privinvest.

And its representative, Jean Boustani, in connection with certain loans that Credit Suisse provided to state-owned maritime entities in Mozambique and that resulted in profits to Credit Suisse.

In or about April or May 2013, while working on the bank's 372 million U.S. Dollar loan to the Mozambican state-owned entity, Proindicus, my then boss at Credit Suisse, Andrew Pierce, told me that he had received, approximately, 1 million U.S. Dollars from Privinvest and Mr. Boustani in exchange for substantially reducing the fees paid by Privinvest on that loan.

(Hr'g Tr. at 27-29, *United States v. Boustani, et al.*, 18-cr-681 (E.D.N.Y. May 20, 2019).)

WILLKIE FARR & GALLAGHER^{LLP}

Credit Suisse Investment Bankers Plead Guilty and Cooperate



Andrew Pearce Guilty Plea July 19, 2019:

While I was a managing director at Credit Suisse Securities Europe Limited, in or about late February 2013, Credit Suisse was in the process of closing a \$372 million loan to ProIndicus. I led the deal team. Boustani offered to pay me half of the amount by which I, together with others, reduced a subvention fee to be paid --

-- subvention fee to be paid by Privinvest in connection with the loan. I accepted Boustani's offer, successfully made efforts to reduce the fees paid by Privinvest, and received payments by wire from Privinvest into a bank account I opened in the United Arab Emirates with the assistance of Privinvest employees. Safa was aware of my agreement with Boustani --

Credit Suisse Investment Bankers Plead Guilty and Cooperate



Andrew Pearce Guilty Plea July 19, 2019:

I also assisted in bringing about an agreement between Singh and Boustani of which Safa was aware under which Singh received payments totalling \$4.4 million at Boustani's direction in exchange for facilitating Credit Suisse's approval of the EMATUM loan.

At some time after I left Credit Suisse and after the original loan transactions were completed, Boustani told me that Privinvest had paid the sum of Mozambique's then-president at least \$50 million.

Credit Suisse Investment Bankers Plead Guilty and Cooperate



Surjan Singh Guilty Plea September 6, 2019:

During the period 2013 through 2016 I conspired with others to launder the proceeds of illegal activity, namely, unlawful kickbacks, and conceal from certain investors, including investors in the United States, that I had received illegal and improper kickbacks in connection with the loans made by my employer Credit Suisse. Specifically, a U.S. dollar 500 million loan that Credit Suisse provided to a Mozambican entity called Ematum.

And the upsizes of that -- upsizes of a loan that Credit Suisse provided to a Mozambican entity called Proindicus.

“Victim” Investors



Invested in Proindicus Loan,
EMATUM LPNs, and Eurobonds

Q Would you have ever invested in Proindicus if Clause M stated that Privinvest and Jean Boustani were paying millions of dollars to Mozambican government officials?

A We would not have invested in this or even looked at it.

Q Why not, Mr. Partap?

A Well, there are many reasons . . . There's legal reasons, such as the Foreign [Corrupt] Practices Act and professional conduct issues that would be gated. But, beyond that, when there's corruption involved it puts into question the ability for your investment to get repaid because when there's corruption involved, the borrower will be prone to repudiate -- the borrower and guarantors will be prone to repudiate the debt. But if the money isn't being used for productive purpose of the security system, then it also calls into question whether the revenue will be there. And then, you know, where there's one known problem, there's often many other unknown problems. So, it calls into question the integrity of the transaction.

“Victim” Investors

NWI

Invested in EMATUM LPNs and Eurobonds

Q Would it have been important to your investment decision to know that millions of dollars from the loan proceeds will be used by the contractor to make payments to Mozambican government officials?

A Yes, that would be important to know.

Q Would you have invested if you had known that?

A We would not have invested.

Q Why not, sir?

A We would try to avoid any transaction that appeared tainted by corruption, and in any way would have been unethical and probably a violation of our fiduciary responsibility.

Attack on Legal Theory

Impermissible Extraterritorial Application of U.S. Law

[I]t is a basic premise of our legal system that, in general, United States law governs domestically but does not rule the world.

RJR Nabisco, Inc. v. European Cmty., 136 S. Ct. 2090, 2100 (2016).

Extraterritoriality – Failure to Allege Domestic Securities Transaction

- The Indictment failed to allege a **domestic securities transaction**, which is a requirement under U.S. Supreme Court and Second Circuit law.¹
- To adequately allege a domestic securities transaction, the Indictment must allege either:
 - Title to the security was “passed within the United States”; or
 - “[T]he parties incur[red] irrevocable liability to carry out the [securities] transaction within the United States.”¹

¹ *Absolute Activist Value Master Fund Ltd. v. Ficeto*, 677 F.3d 60, 69 (2d Cir. 2012)

Extraterritoriality – Failure to Allege Wire Fraud Conspiracy Entered Into in the United States

- Neither the wire fraud nor wire fraud conspiracy statute applies extraterritorially. The Indictment must allege that the criminal conduct took place in the United States.
- Section 1349, the wire fraud conspiracy statute, has only one essential element—an agreement to commit wire fraud—and does not require the actual use of a wire or an overt act.
- The Indictment constituted an impermissible extraterritorial application of Section 1349 because it failed to allege that the conspirators came to their agreement on U.S. soil.

Extraterritoriality – Failure to Allege Use of Wires Was “Core Component” of Scheme to Defraud

- Use of U.S. wires must be a “core component” of the fraudulent scheme. It is not enough to allege incidental U.S. wire in furtherance of the scheme.¹
- The Indictment’s wire fraud conspiracy allegations focused primarily on the U.S. correspondent bank accounts to clear U.S. dollar transactions (e.g., alleged bribes and kickbacks, loan interest payments, LPN purchases).
- The wires alleged in the Indictment were purely incidental transactions “ricocheting” off the United States by virtue of certain transactions being denominated in U.S. dollars,² and therefore insufficient under the *Bascuñan* standard.

¹ *Bascuñan v. Elsaca*, No. 18-2731, 2019 WL 2455168, at *10 (2d Cir. June 13, 2019).

² *United States v. Turner*, 624 F. Supp. 2d 206, 228-29 (E.D.N.Y. 2009).

Extraterritoriality – Allegations Violated Due Process Because No Nexus With the United States

- A non-U.S. citizen may be charged under the money laundering conspiracy statute only if his money laundering “conduct occurs in part in the United States.”¹
- In addition, “there must be a sufficient nexus between the defendant and the United States, so that such application would not be arbitrary or fundamentally unfair.”²
- The nexus between Mr. Boustani’s alleged money laundering conduct and the United States was basically non-existent.

¹ 18 U.S.C. § 1956(f).

² *United States v. Al Kassar*, 660 F.3d 108 (2d Cir. 2011).

Trial Defense and Acquittal

Defense Themes

- ▶ Boustani is charged with defrauding hedge funds, not with bribery.
- ▶ Boustani was a boat salesman who had nothing to do with investors.
- ▶ Privinvest delivered everything it promised and Boustani wanted the projects to succeed.
- ▶ This case has nothing to do with the United States.

Opening Statement

- ▶ Avoid the Government's misdirection.
- ▶ Boustani was deeply involved in payments, but is not charged with bribery.
- ▶ Focus on the distance between Boustani and the investors.
 - Disclosed incarceration and circumstances of arrest.

Cross Examinations

1

Cooperating Witnesses

Cross Examinations

1

Cooperating Witnesses

Jean Boustani wanted the projects to succeed.

Jean Wanted the Projects to Succeed

Andrew Pearse

Q. And Mr. Boustani told you that he wanted the Proindicus project to be successful; isn't that correct?

A. That is correct.

Q. And it was in Privinvest's interest that the Proindicus project be successful; isn't that correct?

A. As far as I was aware, the context of selling the product to other countries, yes.

Q. Mr. Boustani never told you that he wanted the Proindicus project to fail, did he?

A. He did not, no.

Cross Examinations

1

Cooperating Witnesses

Jean Boustani wanted the projects to succeed.

Mozambique wanted and needed the projects.

Cross Examinations

1







Cooperating Witnesses

Jean Boustani wanted the projects to succeed.

Mozambique wanted and needed the projects.

Prinvest delivered everything it promised.

Prinvest Delivered Everything Promised To Proindicus

PROMISED #		DELIVERED #			
RADAR STATION		DV-15 INTERCEPTORS		HSI-32 HIGH-SPEED INTERCEPTORS	
1616		3636		33	
					
<div>DEFENSE EXHIBIT 900718-CR-681 (WFK)</div>		<div>DEFENSE EXHIBIT 903618-CR-681 (WFK)</div>		<div>DEFENSE EXHIBIT 905518-CR-681 (WFK)</div>	
WP-18 STRIKE CRAFT		MARITIME PATROL AIRCRAFT		INTELLECTUAL PROPERTY	
33		66		11	
					
<div>DEFENSE EXHIBIT 916918-CR-681 (WFK)</div>		<div>DEFENSE EXHIBIT 907518-CR-681 (WFK)</div>			

DX9007; DX9036; DX9055; DX9169; DX9075

Prinvest Delivered Everything Promised To EMATUM

PROMISED

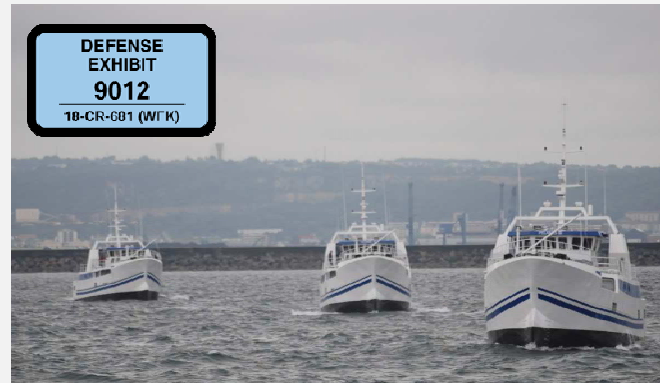


DELIVERED



LONGLINERS

21 21



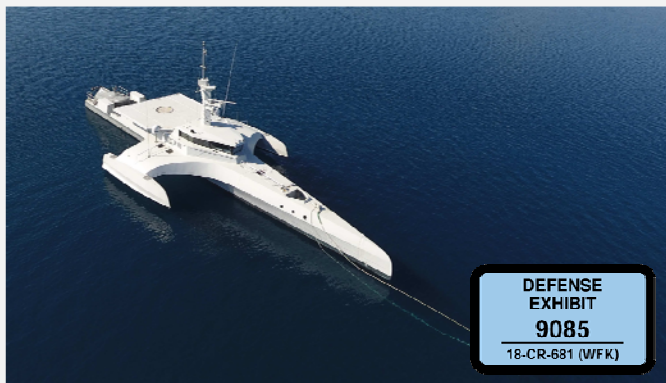
TRAWLERS

3 3



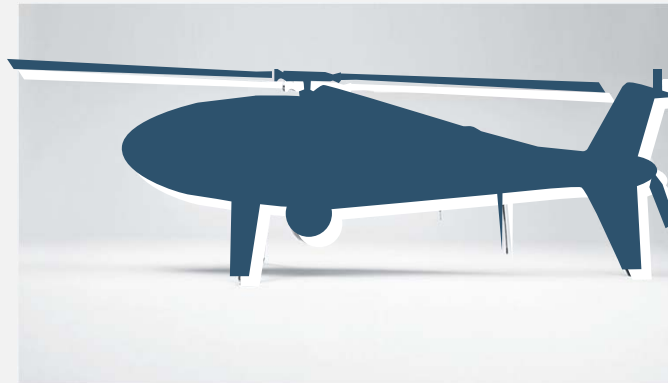
OCEAN EAGLE 43 TRIMARANS

3 3



CAMCOPTER (UNMANNED AERIAL VEHICLE)

1 1



INTELLECTUAL PROPERTY

1 1



DX9012; GX-1607-D; DX9085

Prinvest Delivered Everything Promised To MAM

PROMISED #

DELIVERED #

DUAL-PURPOSE
VESSEL

1 1



SHIPYARD

1 1



NAVAL BASE

1 1



PEMBA NAVAL
ACADEMY

1 1



INTELLECTUAL
PROPERTY

1 1



DX9001; DX9139; DX9088; DX9107

Cross Examinations

1

Cooperating Witnesses

Jean Boustani wanted the projects to succeed.

Mozambique wanted and needed the projects.

Privinvest delivered everything it promised.

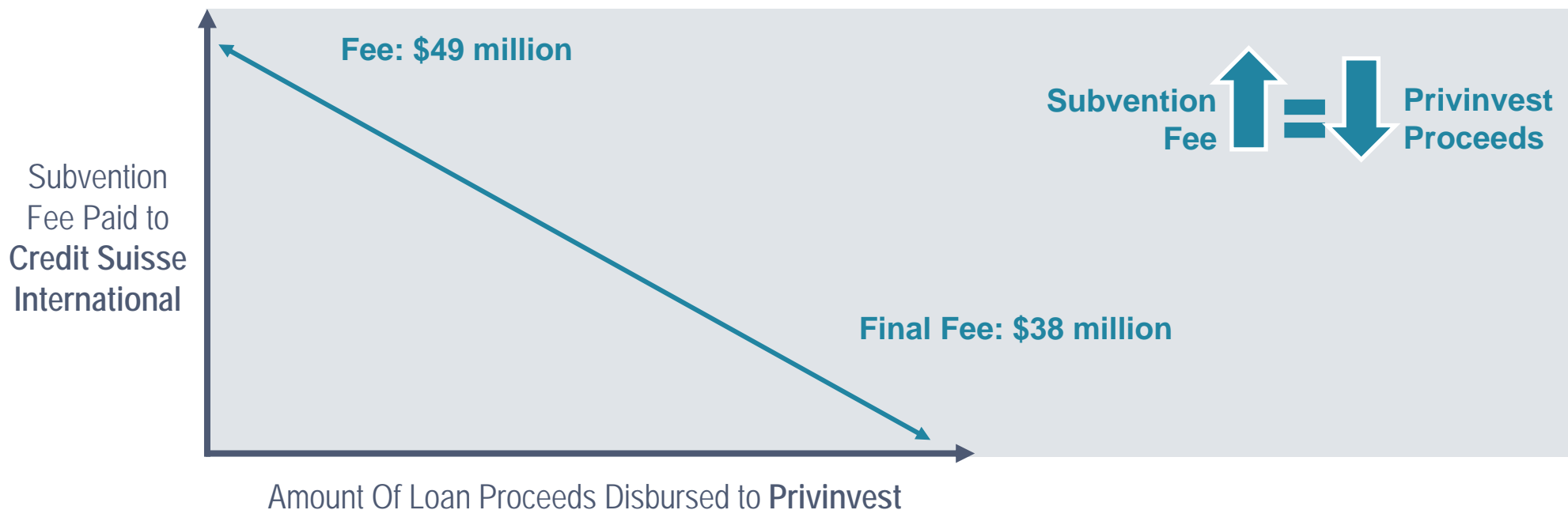
No scheme to defraud investors.

The Subvention Fee Had Nothing To Do With Investors

Surjan Singh

Q: You didn't believe that the use of a subvention fee in this case was something that was harmful to the investors, did you?

A: No, the subvention fee, in and of itself, as a concept is not harmful to investors.



Cross Examinations

1

Cooperating Witnesses

Jean Boustani wanted the projects to succeed.

Mozambique wanted and needed the projects.

Privinvest delivered everything it promised.

No scheme to defraud investors.

Cooperators lied to avoid jail time.

Prinvest Paid Pearse To Start Palomar

PALOMAR GROUP

Palomar Strategy

Initial Opex of \$3mn will be funded \$2mn by ADM and \$1mn by AP, in each case by way of shareholder loan.

1

DOJ0002381172

GX-2306-A

18 CIV. 561 (WTR)

Pearse and Subeva Worked at Palomar

PALOMAR GROUP

Personnel

- The management team will comprise:
 - CEO: Andrew Pearse (following exit from CS)
 - No salary.
 - CEO (initially) then COO: Markus Kroll (existing owner of Palomar), Zurich based.
 - Annual salary of CHF450,000, 1/3rd guaranteed for one-third of his time. Option to increase to full time.
 - Subject to non-compete and confidentiality undertakings
- Initial Junior Resources for Proindicus mandate: 1 investment banking professional
 - Hiring will be subject to 30 day notice periods and up front costs associated with buying out deferred equity held by the relevant person which is forfeited upon resignation
 - Palomar will need to pay a premium (c 30%) to investment bank salaries to attract quality personnel to a start up. By way of example, Vice president/Director level employees (eg Mrs Subeva) are paid between \$550,000 and \$750,000 per annum.
 - Note also that this will not be pro rated if personnel start in June 2013 as the majority of investment bank pay comprises the year end bonus.
 - A discretionary bonus entitlement
- 2013 costs - to run Proindicus mandate:
 - Personnel: \$2mn
 - AP will minimise this by only adding people as the business grows. Potential to outsource some elements to people who remain in CS.
 - For Proindicus mandate, Palomar will need 1 person. I would recommend Mrs Subeva.

Singh Payments = Recruitment To Palomar

Oct. 11, 2013

VTB EMATUM Upsize
(GX-252)

Oct. 23, 2013

Logistics Int'l Payment to Singh
(GX-1525)

Nov. 15, 2013

VTB Proindicus Upsize
(GX-56)

Nov. 23, 2013

"Palomar Investment Opportunities"
and "Surj's slides" (DX2016)

Nov. 27, 2013

Logistics In'tl Payment to Singh
(GX-1525)

Nov. 29, 2013

Pearse sends Palomar presentation
(DX2020, DX2020-A)

Lina - Palomar Investment Opportunities

1. Lenta
2. Swiss nuclear
3. Moz loan
4. Burundi
5. Moz Bank
6. EDF
7. Surj's slides

From: Andy Pearce <andrew@pearse@hotmail.co.uk>
Sent: Friday, November 29, 2013 9:45 PM
To: Markus Kroll Samarex
Cc: lina.subeva@plmr.com; detelina.subeva@gmail.com
Subject: Palomar - Next phase
Attachments: Potential Fund Projects v2.ppt

6. Hiring for the Fund Manager

- Senior staff (eg Uncle) will want an equity participation. Trade off between salary and equity.

From: andrew@pearse@hotmail.co.uk
 Sent: Friday, November 29, 2013 9:45 PM
 To: Markus Kroll Samarex
 Cc: lina.subeva@plmr.com; detelina.subeva@gmail.com
 Subject: Palomar - Next phase



From: andrew@pearse@hotmail.co.uk
 Sent: Friday, November 29, 2013 9:45 PM
 To: Markus Kroll Samarex
 Cc: lina.subeva@plmr.com; detelina.subeva@gmail.com
 Subject: Palomar - Next phase

Credit Suisse Employees Who Approved The Transactions And Did Not Engage In Criminal Activity

According To Singh's Own Testimony

- | | | |
|--------------------|----------------------|------------------|
| ▶ Garrett Curran | ▶ Gael de Boissard | ▶ Eric Morris |
| ▶ Eraj Srivani | ▶ Catherine Mentov | ▶ Mark Bailey |
| ▶ Marissa Drew | ▶ Charles Gooderham | ▶ Balbir Bakhshi |
| ▶ Peter Stevens | ▶ Paul Spencer Lloyd | ▶ Sima Allen |
| ▶ Adrian Ratcliffe | ▶ John Grussing | ▶ Joe Robinson |
| ▶ Maria Leistner | | |

U.S. v. Boustani Trial Tr. 3171:17, 22-25; 3172:7-12; 3172:13-20; 3172:21-3173:4; 3173:5-16; 3173:17-3174:5; 3174:6-20; 3174:21-3145:5; 3175:6-17; 3175:18-3176:6; 3176:8-9; 22-25; 3177:1-3; 3178:24-25; 3176:8-9; 22-25; 3177:1-3; 3177:12-17; 3177:18-25; 3178:16-21; 3178:22-23; 3179:3-4

Cross Examinations

1 Cooperating Witnesses

2 Valuation Experts

Cross Examinations

1 Cooperating Witnesses

2 Valuation Experts

Vessels were worth what Privinvest charged.

DOJ's Expert Testified The Fishing Boats Privinvest Delivered Were Appropriate

Anthony English

Q. You also indicated that there was no reason why, properly managed, these ships should not be able to earn their keep and provide a substantial revenue on the investment?

A. Correct.

Q. And that was your opinion and is still your opinion, correct?

A. It's still my opinion.

Anthony English

Q. ...[T]he value of what was provided under the EMATUM contract could have been as high as \$785 million?

A. It could have been.

Cross Examinations

1 Cooperating Witnesses

2 Valuation Experts

3 Investor Witnesses

Cross Examinations

1 Cooperating Witnesses

2 Valuation Experts

3 Investor Witnesses

Jean Boustani had nothing to do with investors.

Jean Had Nothing to Do With U.S. Investors

Transaction 1

Procurement Contract

Transaction 2

Loan Agreement

Private Investor
(Supplier)

Private Investor
to supply

Agree
for

EMATUM
(Customer)

**CS International
("CSI") (Lender)**

Agrees to lend
\$500 million
minus fees

Agrees to pay
interest and
repay principal

**EMATUM
(Borrower)**
Guaranteed by
Government of
Mozambique

Transaction 3

Loan Rights Sale
Purchase Agreement

**CS International
("CSI") (Lender)**

Sell loan rights

Agrees to pay
for loan rights

**Dutch SPV
(Issuer of LPNs)**

Transaction 4

LPN Creation &
Offering

**Dutch SPV
(Issuer of LPNs)**

Creates and
assigns LPNs
Lead Manager

Subscribe
to LPNs

**CS Securities
Europe, Ltd
("CSS") & BNP
(Lead Manager)**

Transaction 5

Primary Market Issuance

**CSS
& BNP**

Sell LPNs

Buy LPNs
at 92.051

**Non-US Investors
(Buyers of LPNs)**

Transaction 6

Secondary Market
Trades in First 40 Days

Non-US Investors

Sell LPNs

Buy LPNs

Non-US Investors

Transaction 7

Secondary Market
Trades After 40 Days

Non-US Investors

Sell LPNs

40 days later,
U.S. Investors
can buy LPNs

**US &
Non-US Investors**

Transaction 1: GX-204; Transaction 2: GX-207; Transaction 3: DX-11034; Transaction 4: GX-212; Transaction 5: GX-251.

Twenty Out Of Twenty-Two Government Witnesses Don't Know Jean Boustani

Witnesses Who Knew Jean Boustani

Andrew Pearce

Surjan Singh

Witnesses Who Did Not Know Jean Boustani

Wendy Spaulding

Sahil Tandon

Pavel Lvov

Jonathan
Polonitza

Michael Formosa

Daniel Jurkowitz

Aneesh Partap

Sean Mossman

Marco Santamaria

Cicely Leemhuis

Anthony English

Jason Kaplan

Andrew Burton

David Wildner

Fatima Haque

Joel Singson

Robert Pepitone

Angela Tassone

Eric Baurmeister

Gina Orlins

Mr. English Said It Best

A. No, I don't even know who he is, I'm afraid. Sorry, Mr. Boustani.

U.S. v. Boustani Trial Tr.2112:5-10

Cross Examinations

1 Cooperating Witnesses

2 Valuation Experts

3 Investor Witnesses

Jean Boustani had nothing to do with investors.

Investors' eyes were wide open.

Investors Were Told Before Investing About Bribery And Corruption

IMPORTANT NOTICE

IMPORTANT: You must read the following disclosure before continuing. The following disclosure applies to the attached exchange offer and consent solicitation memorandum (the "Memorandum") and you are therefore required to read this disclosure carefully before accepting, sending or making any other use of the Memorandum. By accepting the Memorandum, you agree (in addition to giving the representations below) to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from Credit Suisse Securities (Europe) Limited ("Credit Suisse") and VTB Capital plc ("VTB") and together with Credit Suisse, the "Joint Broker Managers"), Lord Street Services Limited (the "Exchange and Information Agent"), Memorandum EMATUM Finance 2020 S.V. (the "Bribery Notes Issuer") and/or The Republic of Mozambique (the "New Notes Issuer") as a result of such access. Capitalized terms used but not otherwise defined in this disclosure shall have the meaning given to them in the

Corruption is prevalent in Mozambique. Mozambique was ranked 119 out of 174 in Transparency International's 2014 Corruption Perceptions Index and placed in the 29.7 percentile (with 100 the highest rank) on the World Bank's Worldwide Governance Indicators for 2013 (Control of Corruption dimension).

(i) you are a holder or a Beneficial Owner of Existing Notes;

(ii) you are a person to whom it is lawful to send the Memorandum or to make an invitation pursuant to the Exchange Offer and from whom it is lawful to solicit consents pursuant to the Consent Solicitation in accordance with applicable laws, including the Offer and Distribution Restrictions; and

(iii) you consent to the delivery of the Memorandum by electronic transmission.

The Memorandum has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Existing Notes Issuer, the New Notes Issuer, the Joint Broker Managers, the Trustee or the Exchange and Information Agent or any person who controls, or is a director, officer, employee, agent or affiliate (as applicable) of, any such person accepts any liability or responsibility whatsoever in respect of any difference between the Memorandum distributed to you in electronic format and the best copy version available to you (subject to the terms of this disclosure) as required from the Exchange and Information Agent, the contact details for which appear on the last page of the Memorandum.

THE MEMORANDUM SHOULD NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND SHOULD NOT BE FORWARDED OR DISTRIBUTED TO ANY PERSON OTHER THAN THE RECIPIENT. ANY FURTHER FORWARDING OR DISTRIBUTION OR ANY REPRODUCTION OF THE MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS RESTRICTION MAY RESULT IN A VIOLATION OF THE APPLICABLE LAWS OF CERTAIN JURISDICTIONS.

If you have already sold or otherwise transferred your entire holding of the Existing Notes you should inform the Exchange and Information Agent accordingly.

You are also reminded that the Memorandum has been sent to you on the basis that you are a person into whose possession the Memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located or resident and you may not, nor are you authorized to, deliver the Memorandum to any other person. Any materials relating to the Exchange Offer and the Consent Solicitation do not constitute, and may not be used in connection with, any form of offer or solicitation in any place where such offers or solicitations are not permitted by law. If a jurisdiction requires that an exchange offer involve a consent solicitation to comply with a financial inclusion or similar offer on all of the Joint Broker Managers or any of their respective affiliates in such a financial hub or dealer in that jurisdiction, that exchange offer under consent solicitation, or the cons may

GOVERNMENT
EXHIBIT
GX-241
INFORM (WIKI)

1

Confidential Treatment Requested By Credit Suisse

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CS_DCI_00002286
DOJ0000287822

Investors Were Told Before Investing About Bribery And Corruption

IMPORTANT NOTICE

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In 2011, Transparency International's survey of public opinion on corruption in Southern Africa showed that Mozambicans reported the highest incidence of bribery in the region, 68 per cent. of people surveyed reported having paid a bribe in the previous year, 48 per cent. of people had bribed the police and 35 per cent. had paid a bribe for education services.

accordance with applicable laws, including the Offer and Distribution Restrictions; and

(iii) you consent to the delivery of the Memorandum by electronic transmission.

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GOVERNMENT
EXHIBIT
GX-241
(INTERNAL USE)

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CS_DOC_00002285
DOJ0000287822

Investors Did Not Fully Read Project Documents

 ICE CANYON

PARTAP

Q. You told them that you don't remember whether you looked at certain aspects of this stuff or not; right?

A. Yes, that's fair.
It's flip through the pack.

 Morgan Stanley

TANDON

Q. [Y]ou don't typically read the entire offering circular before you make an investment like this, correct?

A. **I typically wouldn't have as the trader, no.**

 Morgan Stanley

BAURMEISTER

Q. Do you recall if you specifically reviewed all of the contents of this document?

A. **I recall that I did not review all of the contents of this document.** We look at certain parts, but not the whole thing.

NWI

KAPLAN

Q. But you didn't read it entirely?

A. **I usually don't read every word of it** because a lot of these are very... boilerplate... Once you've read the disclaimers for one, they tend to be the same regardless of the country or the situation.

Investors Knew That Bribes Get Paid In Corrupt Countries

ALLIANCEBERNSTEIN

Marco Santamaria

Q. Now fair to say you have made a lot of investments in the debt of a lot of countries that have reputations for significant corruption; is that fair to say?

A. Yes.

Q. Countries like **Iraq**, **Azerbaijan**, and **Venezuela**; is that correct?

A. Yes.

Q. And it's fair to say that **you are the not blind to the idea that those governments may be using some of those funds for corrupt purposes?**

A. **I'm aware that some funds go to illicit purposes.**

Ice Canyon Invests In The Most Corrupt Countries On Earth



Aneesh Partap

Q. ...Besides Mozambique, what other countries are you aware of that ICE Canyon was invested in during the time that you were working there?

* * *

A. ...USA, Mexico, Brazil, Colombia, Peru, Ecuador, Argentina; going on to the – across the ocean, Greece, the UK, Kuwait, Italy, Spain, **Russia**, Egypt, South Africa, Kenya, **Mozambique**, Angola, Tanzania, India, China, Indonesia, Australia, Japan. Is that enough?

* * *

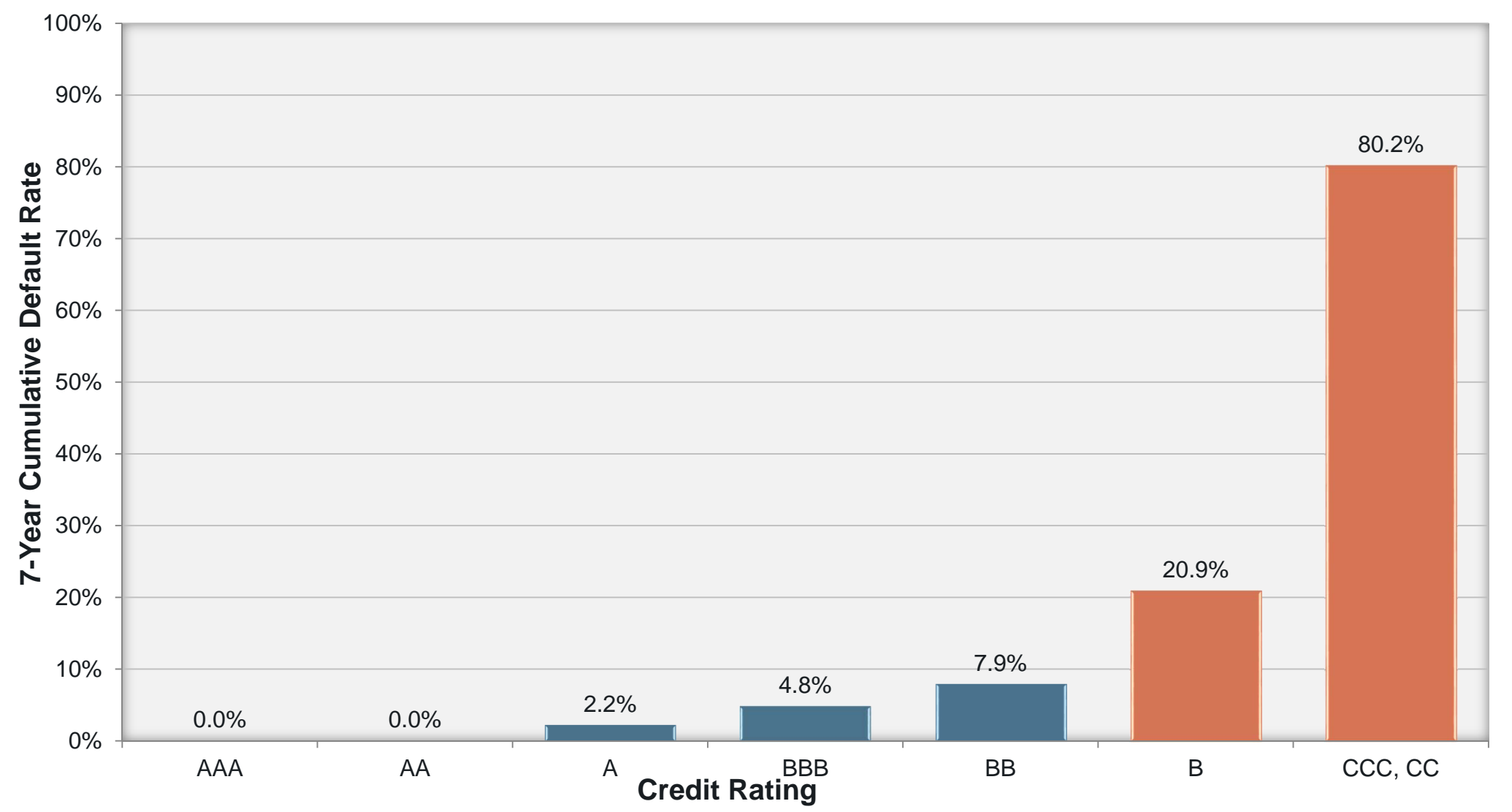
Q. The list also included **Venezuela**, right?

A. Yes.

Q. It also included **North Korea**, correct?

A. Yup.

Investors Knew Mozambique Default Was Likely



Cross Examinations

1 Cooperating Witnesses

2 Valuation Experts

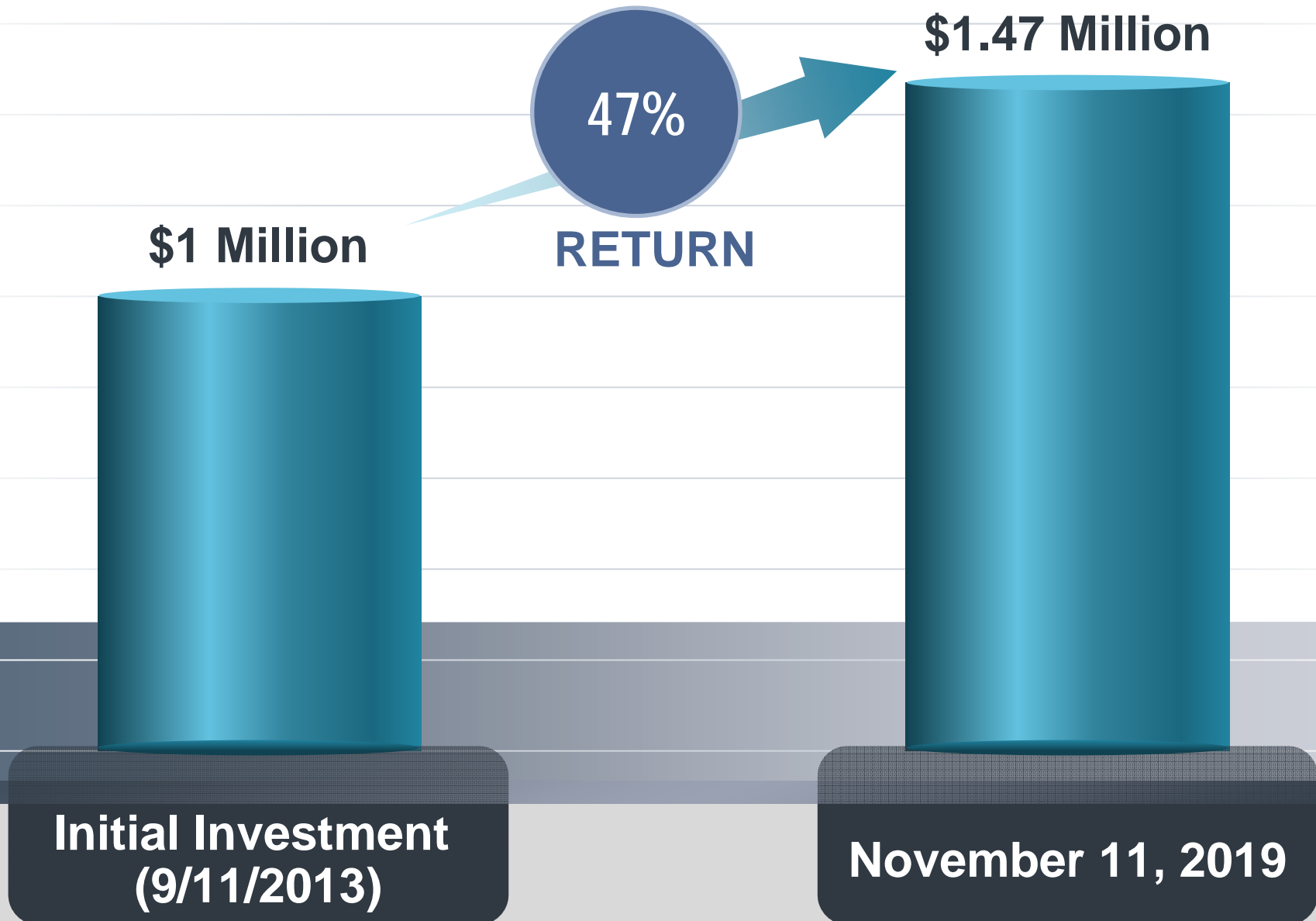
3 Investor Witnesses

Jean Boustani had nothing to do with investors.

Investors' eyes were wide open.

Investors made money.

Holding EMATUM For The Life Of The Investment Was Profitable



Defense Case

1

Prinvest Witnesses

Defense Case

1

Prinvest Witnesses

Prinvest delivered everything it promised.

Defense Case

1 Privinvest Witnesses

2 Rear Adm. Stanley Bryant, USN (Ret.)

Defense Case

1 Privinvest Witnesses

2 Rear Adm. Stanley Bryant, USN (Ret.)

Projects were valuable to Mozambique.

Problems Plaguing Mozambique

Rear Admiral Stanley Bryant

- A. ...**Piracy, human trafficking, smuggling**. These are all things that go on in the economic zones of the African countries and a lot of other countries, but it is not unusual in a lot of the African countries with whom I dealt with in the Navy...

Pirates



**Drug
Traffickers**



Terrorists



Pollutants



Poachers



Admiral Bryant Testified The Assets Privinvest Delivered Were Appropriate

Rear Admiral Stanley Bryant

- Q. And finally, Admiral Bryant, after looking at each of the contracts, was it your conclusion that the assets as described in the contracts were appropriately tailored to the projects?
- A. Yes, it was.

Defense Case

1 Privinvest Witnesses

2 Rear Adm. Stanley Bryant, USN (Ret.)

3 Dr. Chudozie Okongwu

Defense Case

1 Privinvest Witnesses

2 Rear Adm. Stanley Bryant, USN (Ret.)

3 Dr. Chudozie Okongwu

Mozambique defaulted due to global commodity crisis.

Global Commodity Crisis And Downturn Had Unexpected Negative Effects on Mozambique

1

Mozambique's exports declined in value

2

Mozambique's economic growth declined

3

Mozambique's currency depreciated substantially against the U.S. dollar

Defense Case

1 Privinvest Witnesses

2 Rear Adm. Stanley Bryant, USN (Ret.)

3 Dr. Chudozie Okongwu

4 David Hinman

Defense Case

1 Privinvest Witnesses

2 Rear Adm. Stanley Bryant, USN (Ret.)

3 Dr. Chudozie Okongwu

4 David Hinman

Investors understood the risk of improper payments

David Hinman

Q. When you heard about those allegations that bribes had been paid, **did you believe that you had been misled?**

A. **No. It was a risk that was disclosed 25 ways to Sunday,** not only in the offering documents but also publicly available information. I was a sophisticated emerging market debt investor. I was supposed to research information that was important to make an investment decision and if I'd have done so I would have known that bribery was a real risk in Mozambique and so articles coming out that there actually had been bribery, shouldn't have been a surprise.

Defense Case

- 1 Privinvest Witnesses
- 2 Rear Adm. Stanley Bryant, USN (Ret.)
- 3 Dr. Chudozie Okongwu
- 4 David Hinman
- 5 Correspondent Banking Witnesses

Defense Case

- 1 Privinvest Witnesses
- 2 Rear Adm. Stanley Bryant, USN (Ret.)
- 3 Dr. Chudozie Okongwu
- 4 David Hinman
- 5 Correspondent Banking Witnesses

No money transferred into or out of the United States.

Government Witness – David Wildner

Q. Did this transaction go through Bank of New York Mellon?

A. Yes.

Q. Did it go through any other U.S. Bank?

A. Yes it did.

Q. Which U.S. bank?

A. J.P. Morgan Chase.

Q. Where is that located?

A. 4 MetroTech here in Brooklyn.

1" (Information Classification: Highly Confidential)

PAYMT TRN F26136266193700 FT STATUS COM EXCEPTION
OR PARTY 000000100329162 TYP CAS INSTR DT 2013-06-26 ADVISE BY
AMOUNT 1000000.00 USD VALUE DT 2013-06-26 NSG CHG
COMM CHG FUNDS S POST DT CEL ANT
CRM FT1217713416 DIV-REGION-CIST
NAME/ADDRESS ORDERING CUSTOMER
FIRST GULF BANK ORDERING BANK
CH. SAVED 2ND ST., AL MELLAH TOWER
ABU DHABI, UNITED ARAB EMIRATES
COVER PAYMENT ORDERING CUSTOMER
/A6310271811001614000028
PRIVINVEST SHIPBUILDING SAL HOLDING
PO BOX 107241
ABU DHABI
CR/FRT 0000000000000000 TYP NSR INSTR DT 2013-06-26 ADVISE BY
AMOUNT 1000000.00 USD VALUE DT 2013-06-26 NSG CHG
COMM CHG FUNDS S POST DT CEL ANT
CRM FT1217713416 DIV-REGION-CIST
NAME/ADDRESS ACCOUNT WITH BANK
JP MORGAN CHASE BANK NA ABU DHABI COMMERCIAL BANK
4 METROTECH CENTER, 6TH FLOOR P.O. BOX 939
BROOKLYN, N.Y. 11248 ABU DHABI, UNITED ARAB EMIRATES
ULTIMATE BENEFICIARY COVER PAYMENT ULTIMATE BENEFICIARY
/A6300030010065222311001
ANDREW PEARSE

BANK TO BANK INFORMATION

DETAILS OF PAYMENT
/REP/PARTIAL Pmt ON CONSULTANCY AGREEMENT

SWIFT TIME :

INSERTED TIME	06.59.07.70	DATE	2013-06-26
VERIFIED TIME	06.59.08.15	DATE	2013-06-26
PRI/REPLY ADV			
FUNDS USE TO	06.59.08.15	DATE	2013-06-26
--- DOCUMENTS ---	--DS--VRI--VR2--SRV--	-TYPE-----CART-----FRAME--	
		SPCE	
		FTVRI	
	--CAN--RATE--		

CONFIDENTIAL

No Wires Go To JPM In Brooklyn

Defense Witness – Timothy Coffey

Q. Did anything relating to this wire transfer in fact happen at Four Metro Tech Center in Brooklyn, New York?

A. No, it did not.

```

PAYM TRN F281304234635400 FT STATUS CM EXCEPTION ~
CR PARTY 0000000000000000 TYF CAS INSTR DT 2013-04-23 ADVISE BY
AMOUNT 2500000.00 USD VALUE DT 2013-04-23 MSG CHG
COMM CHG FUNDS S POST DT CEL ANT
CRN F2131131314 DIV-REGION-DIST
NAME/ADDRESS ORDERING CUSTOMER
FIRST GULF BANK ORDERING BANK
SH. SAYED 2ND ST., AL MULLAN TOWER
ABU DHABI, UNITED ARAB EMIRATES
COVER PAYMENT ORDERING CUSTOMER ORDERING BANK
/ABU DHABI 0000000000000000
PRIVCHVEST SHIPBUILDING SAL BUILDING
PO BOX 107211
ABU DHABI
CR/PAY 0000000000000000 TYF MSG INSTR DT 2013-04-23 ADVISE BY
AMOUNT 2500000.00 USD VALUE DT 2013-04-23 MSG CHG
COMM CHG FUNDS S POST DT CEL ANT
CRN F2131131314 DIV-REGION-DIST
NAME/ADDRESS ACCOUNT WITH BANK
JT MORGAN CHASE BANK NA ABU DHABI COMMERCIAL BANK
4 METROTECH CENTER, 6TH FLOOR P.O. BOX 929
BROOKLYN, N.Y. 11245 ABU DHABI, UNITED ARAB EMIRATES
ULTIMATE BENEFICIARY COVER PAYMENT ULTIMATE BENEFICIARY
/ABU DHABI 0000000000000000
ANDREW BEARSE
BANK TO BANK INFORMATION
DETAILS OF PAYMENT
/PAY/INITIAL FUND ON CONSULTANCY AGREEMENT
HAPP TONG
INSERTED TIME 06.49.09.77 DATE 2013-04-23
VERIFIED TIME 06.49.09.77 DATE 2013-04-23
FUND/EARLY ADV
FUND RISE TM 06.49.09.77 DATE 2013-04-23
--- DOCUMENTS --- --DE--VRL--VRL--SERV-- --TYPE--CART-----FRANZ--
--CAN--PRKE--

```

No Money Was Transferred Into Or Out Of The United States

Defense Witness – Timothy Coffey

[illegible]

Q Does this document reflect a transfer of money from Abu Dhabi to the United States?

A. No, it does not.

Q. Does this document reflect a transfer of money from the United States to Abu Dhabi?

A. No, it does not.

In Correspondent Banking Transactions, Dollars Never Enter Or Leave The United States

Malene McMahon

U.S. v. Boustani Trial Tr.
3906:22-3907:2;
DX11200

Q. Now, in this transaction that we're looking at, does any money actually transfer from the United States to Abu Dhabi?

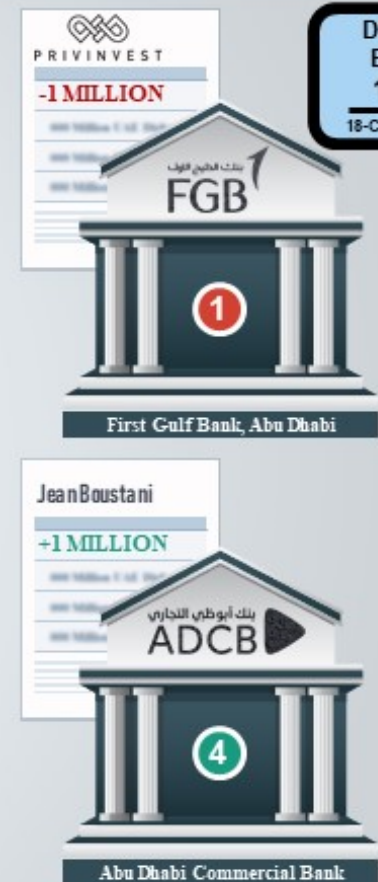
A. No.

Q. And at any point in this transaction, does any money transfer from Abu Dhabi to the United States?

A. No.



GX-1201-C-1



DEFENSE
EXHIBIT
11200
18-CR-681 (WFK)

Defense Case

- 1 Privinvest Witnesses
- 2 Rear Adm. Stanley Bryant, USN (Ret.)
- 3 Dr. Chudozie Okongwu
- 4 David Hinman
- 5 Correspondent Banking Witnesses
- 6 Jean Boustani

Defense Case

1 Privinvest Witnesses

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3 Dr. Chudozie Okongwu

4 David Hinman

5 Correspondent Banking Witnesses

6 Jean Boustani

Nothing to do with the United States

Defense Case

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Nothing to do with the United States.

Believed projects were great for Mozambique, wanted to succeed.

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Payments not his decision or money, never for quid pro quo.

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5 Correspondent Banking Witnesses

6 Jean Boustani

Nothing to do with the United States.

Believed projects were great for Mozambique, wanted to succeed.

Nothing to do with investors.

Payments not his decision or money, never for quid pro quo.

Never believed he was violating Mozambican law.

The background of the slide is a solid blue color with a subtle, abstract pattern of overlapping geometric shapes, primarily triangles and polygons, in various shades of blue and teal. These shapes create a sense of depth and movement, resembling a stylized, low-poly landscape or a complex architectural structure. The overall effect is modern and professional.

Questions?

Attorney Profiles

LITIGATION



Randall Jackson
Partner

Randall Jackson is a partner in the Litigation Department and the White-Collar Defense and Compliance, Investigations & Enforcement Practice Groups. Randall focuses on government and internal investigations, white collar criminal defense, complex civil litigation and regulatory compliance. A former Assistant U.S. Attorney for the Southern District of New York, Randall is recognized as one of the leading trial lawyers to come out of government service in recent years.

New York

212 728 8216

rjackson@willkie.com

COMPLEX COMMERCIAL DISPUTES



Michael S. Schachter
Partner

Michael is a partner in the Litigation Department and Co-Chair of the firm's White-Collar Defense Practice Group. His practice focuses on the representation of financial institutions, investment advisers, public companies and their executives in white collar criminal defense, securities enforcement matters, internal investigations, and complex commercial litigation.

New York

212 728 8102

mschachter@willkie.com