

> Angola:
Switzerland - Lawsuit dropped

> Swiss lawsuit dropped, funds to return under conditions

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> [(c) SouthScan v20/01 14 Jan 05] The good news for President Jose Eduardo
> Dos Santos was that on December 21 the Swiss prosecutor general in
> Geneva, Daniel Zapelli, ordered an end to the inquiry into Angolan funds
> deposited in Swiss banks.

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> This decision also ends lawsuits lodged two years ago against French
> businessman Pierre Falcone, which led to the freezing of accounts holding
> millions of Swiss Francs (the rest vanished into tax havens). Now the
> Angolan funds will be returned to the Luanda authorities.

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> However, a condition was attached - the Swiss government said that the
> money should be "spent honestly" and its use should be supervised by
> Switzerland's Directory for Development Cooperation. The funds can be
> spent only within the framework of a humanitarian project.

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> The funds could be allocated to de-mining operations - an irony since all
> de-mining contracts are in the hands of Falcone, who was one of Angola's
> main arms supplier.

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> Debt restructuring

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> The prosecutor general Zapelli justified his decision by saying that the
> reimbursement of Angolan debt to Russia "did not cause any irregularity"
> - a central element of the inquiry. Falcone was suspected of running a
> criminal organisation with the object of embezzling funds flowing from
> the restructuring of Angola's debt to Russia.

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> According to the Swiss press, Russia was satisfied with the reimbursement
> and an expert at the World Bank considered that Angola and Russia have
> come to a good business arrangement through Falcone.

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> Concerning the corruption charges, the prosecutor said that the money
> deposited in the Angolan private accounts was used as a strategic fund by
> the Angolan government, then facing a devastating war with the former
> rebel movement Unita.

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> But Angola's state news agency Angop failed to mention Swiss reports that
> the prosecutor refrained from clarifying what happened to the transfer of
> \$37m held in a Luxemburg-based bank account owned by a Panama-based
> company called Camparal, which belongs to Dos Santos (SouthScan v19/05).

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> The deal concerned initially the reimbursement of a \$1.5 billion debt.
> Following an agreement negotiated by the Russian deputy minister of
> finance of the time, Andrei Vavilov, and by Dos Santos' advisers Falcone
> and Arkadi Gaydamak, the debt was purchased with a 50% discount by a
> Falcone-owned company named Abalone.

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> In 2000, the Swiss judge Daniel Levaud considered that the operation was
> illegal. The prosecutor's decision last month puts an end to a political
> crisis between Luanda and Bern. In 2002, Dos Santos threatened to recall
> the Angolan ambassador in Bern for consultations. A year later, he
> cancelled a visit to Switzerland.

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> However, his Angolan opponents are furious. They accuse Switzerland of
> hypocrisy and say the Bern government was inspired by the French example
> of allowing Falcone to leave French territory although a French judge had
> ordered his passport to be seized.