

United States v. Jean Boustani, Najib Allam, Manuel Chang, Antonio do Rosario, Teofilo Nhangumele, Andrew Pearse, Surjan Singh, and Detelina Subeva (E.D.N.Y. 2019)

Nature of the Business.

Jean Boustani is a citizen of Lebanon, and was the lead salesman and negotiator for Privinvest Group, a United Arab Emirates-based holding company consisting of subsidiaries collectively referred to as “Privinvest.” Najib Allam is also a citizen of Lebanon, and served as Privinvest’s Chief Financial Officer.

Manuel Chang is a citizen of Mozambique, and was its Minister of Finance. Antonio Do Rosario is a citizen of Mozambique and an official in Mozambique’s governmental state intelligence and security service, Servico de Informacoes e Seguranca do Estado (“SISE”). Teofilo Nhangumele is also a citizen of Mozambique, acting on behalf of the Office of the President of Mozambique.

Andrew Pearse (New Zealand citizenship), Surjan Singh (United Kingdom), Detelina Subeva (Bulgaria), were respectively managing director and head, managing director, and vice president of the Global Financing Group at a multinational banking institution.

Influence to be Obtained.

According to the indictment, Boustani, with the help of Najib Allam, contacted several banks to raise money for maritime projects including a fishing venture. These projects were fronts to enrich himself and his co-conspirators – Pearse, Singh, and Subeva – as well as Mozambican government officials including Manuel Chang, Antonio do Rosario, and Teofilo Nhangumele, who in exchange for signing off on the projects received bribes of over \$25 million combined.

Between 2011 and 2016, Boustani and his co-conspirators raised over \$2 billion in bank loans to fund projects run by state-owned companies Proindicus S.A. (“Proindicus”), Empreza Moçambicana de Atum, S.A. (“EMATUM”), and Mozambique Asset Management (“MAM”). In reality, these funds went to approximately \$200 million of bribes and kickbacks. Together, Boustani, Pearse, Singh, and Subeva made fraudulent representations to conceal the conspiracy, hiding the true nature of the transactions from a multinational banking institutions’s internal controls, the International Monetary Fund (“IMF”), and other banks and regulatory agents.

Enforcement.

The DOJ indicted Pearse, Singh, and Subeva with four counts of conspiracy, including wire fraud, securities fraud, FCPA violations (anti-bribery and internal control provisions), and money laundering. The three were arrested in London on January 3, 2019, and released on bail.

Boustani, Allam, Chang, do Rosario, and Nhangumele were indicted with three counts of conspiracy, including wire fraud, securities fraud, and money laundering. Chang was arrested in South Africa on December 29, 2018. Boustani was arrested in New York on January 2, 2019 and ordered detained.

Pearse pleaded guilty to one count of conspiracy to commit wire fraud. Subeva and Singh each pleaded guilty to one count of conspiracy to commit money laundering.

On December 2, 2019, a jury found Boustani not guilty on all counts.

Key Facts

Citation. *United States v. Jean Boustani, et al.*, No. 1:18-cr-00681 (E.D.N.Y. 2019).

Date Filed. December 19, 2018.

Country. Mozambique; UAE; US.

Date of Conduct. 2011 – 2016.

Amount of the Value. Not stated.

Amount of Business Related to the Payment. Approximately \$2 billion.

Intermediary. State-owned companies Proindicus, EMATUM, and MAM.

Foreign Official. Manuel Chang, Antonio do Rosario, Teofilo Nhangumele.

FCPA Statutory Provision.

- **Pearse, Singh, Subeva.** Conspiracy (Anti-Bribery; Internal Controls).

Other Statutory Provision.

- **All Defendants.** Conspiracy (Wire Fraud; Securities Fraud; Money Laundering).

Disposition.

- **Boustani.** Acquitted.
- **Allam.** Pending.
- **Chang.** Pending.
- **Do Rosario.** Pending.
- **Nhangumele.** Mozambique.
- **Pearse.** Plea Agreement.
- **Singh.** Plea Agreement.
- **Subeva.** Plea Agreement.

Defendant Jurisdictional Basis. Domestic Concern; Territorial Jurisdiction.

Defendant’s Citizenship.

- **Boustani.** Lebanon.
- **Allam.** Lebanon.
- **Chang.** Mozambique.
- **Do Rosario.** Mozambique.

- **Nhangumele.** Mozambique.

- **Pearse.** New Zealand.

- **Singh.** United Kingdom.

- **Subeva.** Bulgaria.

Total Sanction. Pending.

Related Enforcement Actions. None.