

May 2019

COVERT CAPITAL

The Kabila Family's
Secret Investment Bank

Entre les sous-signés

1. Monsieur KINDUELO LIMBU Pascal, né à Matadi le 25 septembre 1938, de nationalité congolaise, domicilié à Kinshasa, au numéro 4, avenue Hebbaye dans le Commune de Ngaliéma, République Démocratique du Congo ;
2. Société SARL, dont le siège est situé à Kinshasa, au 5484, Tombalbaye dans la Commune de Gombe, immatriculée au RCCM CDKIN.RCCM/14-B-2008 et à l'identité nationale sous le Id. Nat. 01-937-N 50404 Z représentée par son Gérant, le sieur David William Ezekiel,

Il est établi qu'il suit le statut de la société anonyme qui va exister entre eux et les autres propriétaires d'actions qui pourront être créés dans la société ultérieurement.

KWANZA CAPITAL
Société Anonyme

STATUTS

← PEP owned



former member
of BGFI Bank
DRC board

Board of
Directors
Kwanza Capital
and Alliance
Bank



THE SENTRY

Covert Capital

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Cover photo: The Sentry.



Executive Summary

It would have been hard to understand the significance of Kwanza Capital just by looking at the company's headquarters in a commercial garage in Kinshasa's business district. No sign marked its presence. There was nothing to indicate the company was shuffling over one hundred million dollars through accounts held at a bank linked to the family of Joseph Kabila, who served as president of the Democratic Republic of Congo (Congo) from 2001 to January 2019. Nor would onlookers have had reason to suspect that the company was controlled by members of Congo's former first family and its close allies. Individuals with knowledge of the company's activities told The Sentry it maintained a low profile by design and the individuals behind Kwanza Capital apparently sought to minimize their public association with the company. Kwanza Capital, which is now reportedly under liquidation, gained only fleeting public notice as it made unusual maneuvers in the country's banking sector, but its story is more expansive than the public record would suggest.

An investigation by The Sentry into Kwanza Capital's activities provides a new glimpse into how members of Kabila's family and inner circle have done business. The Sentry examined the firm's operations, finances, apparent beneficiaries, business partners, and relationships with government agencies and officials. In addition to maintaining extensive links to a bank run by members of Kabila's family, Kwanza Capital participated in multiple acquisition attempts in the Congolese banking sector. These attempts also involved a host of additional individuals and companies, including a Swiss-Angolan financier, a Chinese conglomerate, and a lawyer formerly affiliated with the French office of a U.S.-based law firm. While each attempt to take over a bank ultimately failed, a review of Kwanza Capital's financial records and those of its minority shareholder reveals several indicators of money laundering as well as signs these companies may have received millions of dollars in misappropriated funds from the Congolese government. In total, the records reviewed by The Sentry indicate that as much as \$140 million may have circulated through these accounts and that they appear to have functioned as a ready source of cash for family members and friends of former President Kabila.

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The Sentry's investigation suggests that exercising control of the domestic banking and finance sector in Congo was a major priority for members of the Kabila family and its inner circle. In fact, according to documents reviewed and interviews conducted by The Sentry, Kwanza Capital and its allies sought to control banks that amounted to around 28 percent of the country's roughly \$5 billion banking sector.¹ Such control of banks by Kwanza Capital and its allies would have constituted a crucial element of Congo's kleptocratic system by affording the individuals behind this system the means to launder the proceeds of rampant corruption.² While such control by politically exposed persons is not necessarily illegal in Congo, it is nevertheless problematic for reasons illustrated in this report and in other disclosures about the scope of the Kabila family's business interests.³ But the risks detailed in this report apply well beyond Congo. According



to the Financial Action Task Force (FATF), an independent inter-governmental body that develops and promotes policies to protect the global financial system, when individuals entrusted with a prominent public function, their family members, or their associates—collectively known as politically exposed persons—control financial institutions, this can undermine the integrity of the domestic banking and finance sector as well as place the entire global anti-money laundering and countering the financing of terrorism system at risk.⁴ When politically exposed persons directly or indirectly control such institutions, the FATF notes, they will have effectively “rigged the game” and made it even more difficult for foreign banks and regulatory authorities to understand the source and destination of money passing through these elite-controlled entities.⁵ Part of this risk stems from the access politically exposed persons have to public funds, and part from the know-how they generally possess related to control of government budgets, state-owned enterprises, and contracting.⁶

The Sentry’s investigation also illustrates how important it is for financial institutions to exercise enhanced due diligence in transactions involving politically exposed persons, their associates, and their companies. It is essential for banks to be able to clearly document the beneficial ownership of customers with whom they have a relationship in order to understand who ultimately derives financial or other benefits from a company or transaction.⁷ The financial records and other investigative information reviewed by The Sentry indicate that Kwanza Capital may have been intended to serve as a vehicle to obfuscate links to the Kabila family and its inner circle as a means of evading such scrutiny, even if some international actors saw through it. The Congolese government has a role in ensuring beneficial ownership transparency to avoid just these kinds of risks, but international banks should also consider the risk that companies and individuals for whom they process transactions in Congo are merely serving as proxies for politically exposed persons to evade enhanced due diligence compliance measures.

The Congolese government must make it a priority to improve compliance standards at banks and institute safeguards against corruption at key government agencies and regulatory bodies that govern the country’s financial sector. As The Sentry recommended in its August 2018 Alert, “A Window for Kleptocrats,” the Congolese government should issue guidance on anti-money laundering and countering the financing of terrorism recommendations and encourage banks to file suspicious transaction reports.⁸ The Congolese government should also include guidance on politically exposed persons and money laundering typologies related to the mining and oil industries. While the country’s evolving political landscape may provide an opportunity to push through key reforms, the stakes are not merely political; failing to address chronic concerns in the financial sector could result in reduced access to the international banking system and, in turn, have devastating consequences for the country’s economy writ large. Congo already struggles to ensure its citizens have access to bank services. In fact, a 2017 study found that only six percent of the population had access to these services, which is less than one-quarter the average across sub-Saharan Africa.⁹

Key Recommendations: The Sentry is making the following key recommendations in the wake of this investigation. The full text of The Sentry’s recommendations appears at the end of this report.

Anti-Money Laundering (AML) Measures: The U.S. Department of the Treasury and European financial intelligence units should investigate the banking relationships described in this report and,



if warranted, issue advisories to banks and other institutions. In particular, these entities should consider whether to issue advisories in relation to the past conduct of BGFIBank DRC—discussed throughout this report—and more broadly related to overall money laundering risk present in the Congolese banking sector.¹⁰

Targeted Sanctions: The United States and European Union should investigate and, if appropriate, impose and implement targeted sanctions pursuant to existing Congo sanctions authorities against members of former President Kabila’s network and others in connection with the transactions described in this report.

Bank Due Diligence: U.S. and international financial institutions should employ a range of actions to improve due diligence on transactions involving Congolese companies and politically exposed persons or individuals known to operate on their behalf. The Sentry also recommends that these institutions take appropriate follow-up actions if they have processed transactions in connection with the individuals and entities outlined in this report and that these same institutions should, where appropriate, emphasize that Congolese correspondent banking partners more robustly conduct enhanced due diligence.

Internal Reforms and Accountability Measures: The Sentry is also recommending a range of internal actions by the Congolese government and other partners. Specifically, The Sentry recommends the current government take concerted steps to empower Congo’s financial intelligence unit, investigate potential malfeasance by the Central Bank of Congo and state-owned enterprises, enforce a public asset declaration by government officials, and boost beneficial ownership transparency with a complete and accessible corporate registry. The Sentry further recommends that the U.S. government encourage the Congolese government to ask the International Monetary Fund (IMF) to restart an Extended Credit Facility in Congo to improve financial transparency.



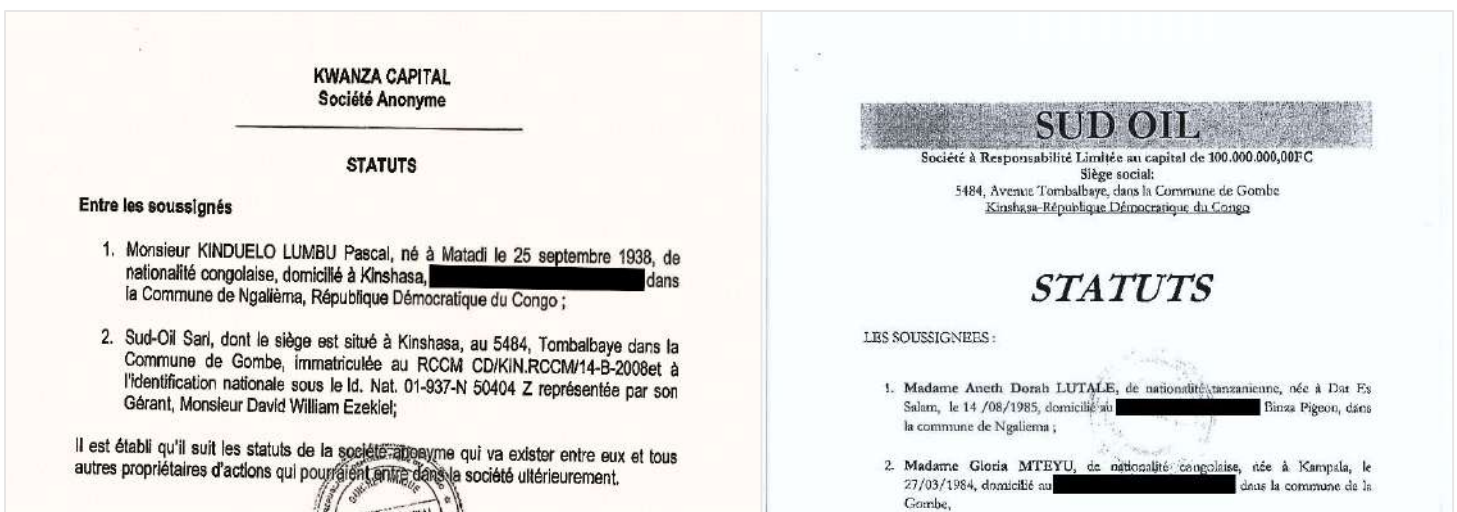
The Front

Kwanza Capital formally launched in June 2014.¹¹ From the beginning, the company apparently benefited from commercial and regulatory advantages. Beyond direct connections to Kabila family members and allies, it had deep ties to a commercial bank and obtained a special status from the government to operate across a spectrum of financial activities.

A Familiar Cast

Kwanza Capital's articles of incorporation show that its founding chief executive officer (CEO) and majority shareholder was Pascal Kinduelo, a prominent Congolese businessman and veteran of the country's banking and finance sector. Kinduelo is well-known in Congo for his 2008 sale of Banque Internationale de Crédit—which he founded in 1992—to Israeli billionaire Beny Steinmetz and Dan Gertler, an Israeli mining mogul with close ties to former President Kabila and who is currently under U.S. sanctions.¹² From 1999 to 2005, Kinduelo was the head of Congo's influential business lobby group, the Fédération des Entreprises du Congo, and he still serves as the president of its "Committee of the Wise."¹³ Kinduelo has also been chairman of the board of directors of two commercial banks in Congo.¹⁴ He chaired the board of BGFIBank DRC, a bank with strong ties to the Kabila family, from its establishment in 2010.¹⁵ In 2015, he became board chairman at Banque Commerciale du Congo (BCDC).¹⁶ At one point, he simultaneously held both of these positions while heading Kwanza Capital and serving on the board of a failed commercial bank venture that was majority owned by Kwanza Capital.¹⁷

Kinduelo's portfolio has not been limited to banking and finance. He established the fuel distribution firm Sud Oil in 2008, which owned a number of gasoline pumps and held a stake in an oil exploration contract along with a consortium of South African, European, and other Congolese companies.¹⁸



Excerpts from Kwanza Capital's and Sud Oil's articles of incorporation show that Kwanza Capital was founded by prominent Congolese businessman Pascal Kinduelo and the company Sud Oil, which then-President Joseph Kabila's sister Gloria Mteyu and his sister-in-law Aneth Lutale registered in March 2014. Photo: The Sentry.



In 2010, the government reallocated the contract after the president did not issue a decree confirming it.¹⁹ Kinduelo sold Sud Oil's assets in 2011 before ending his relationship with the company in 2012.²⁰ The company emerged again in March 2014 when it was re-registered under the ownership of then-President Kabila's sister, Gloria Mteyu, and his sister-in-law, Aneth Lutale.²¹ Lutale, Sud Oil's majority shareholder as of the company's re-registration, is married to Francis Selemani Mtwale, former President Kabila's brother and BGFIBank DRC's longtime managing director and board member.²² Sud Oil's articles of incorporation indicate that the company's headquarters were in the same garage where Kwanza Capital's offices would also be based.



Francis Selemani Mtwale and Aneth Lutale seated behind former Zimbabwean President Robert Mugabe at an official event in 2011. Photo: Official Facebook page for the Congolese Presidency.

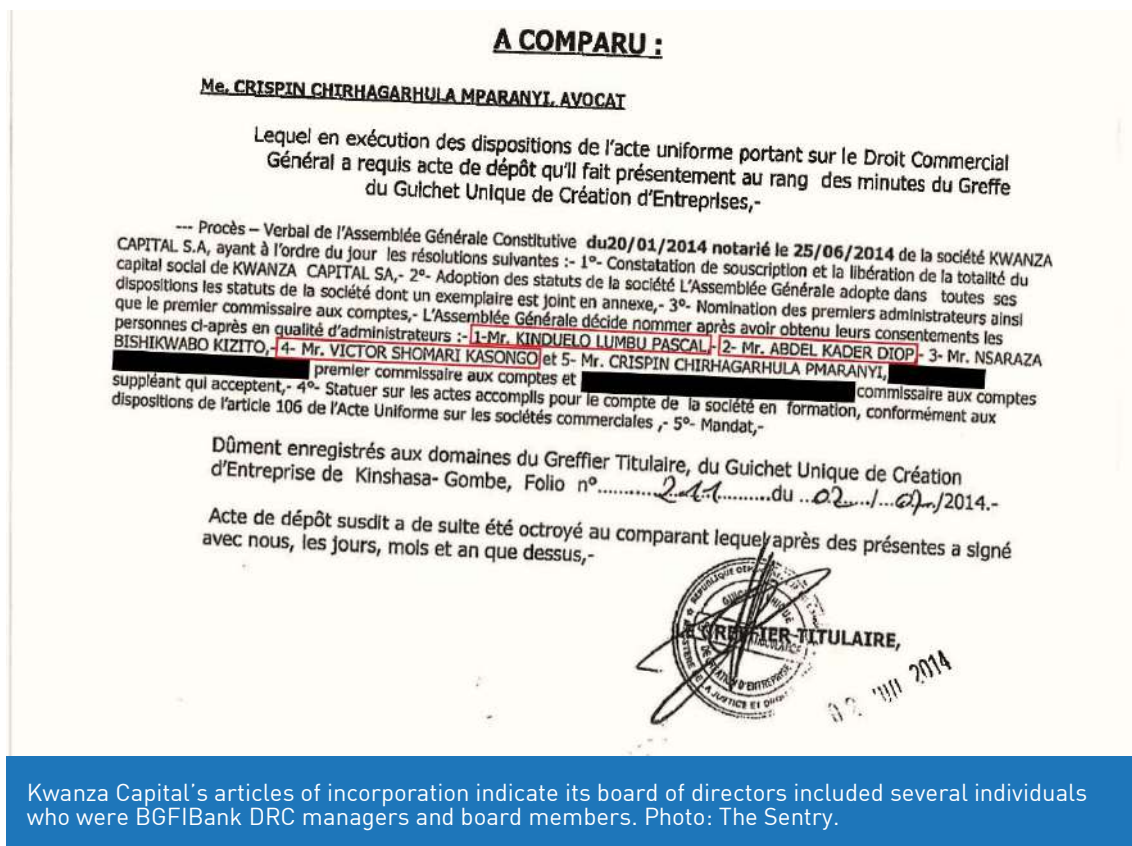
Since Kwanza Capital's founding in June 2014, Kinduelo's role was critical for projecting credibility even if it did not require much of him other than lending his name to official documentation and attending board meetings, according to individuals with knowledge of the company's operations. According to these individuals, Kinduelo was little more than a figurehead acting on behalf of Kwanza Capital's ultimate beneficiaries, the Kabila family. The company's actual head, though, was someone with much deeper ties to the Kabila family than Kinduelo's. Multiple sources with knowledge of the company's operations identified Selemani as Kwanza Capital's boss and undisputed decision-maker, with close associate Moustapha Massudi serving as his de facto deputy. Sources claimed that Selemani even maintained an office in Kwanza Capital's spaces within the garage. Massudi, who was BGFIBank DRC's commercial and marketing director until August 2018, appeared to have a level of oversight of Kwanza Capital's accounts at the bank in his capacity as a director there, according to records reviewed by The Sentry. Massudi denied having any involvement with Kwanza Capital or any responsibility for Kwanza Capital accounts on behalf of the bank.²³



The First Bank of Kabila

BGFIBank DRC, a subsidiary of Gabon-headquartered BGFIBank Group, has operated in Congo since 2010 and has been closely linked to Kwanza Capital's operations since the latter's inception in 2014.²⁴ Reports published about the bank beginning in late 2016 raise red flags about its regulatory and compliance regime, including that it had been used to divert significant public funds.²⁵ But the significance of these links to BGFIBank DRC extends beyond the fact that Selemani and Massudi held high-level management positions at BGFIBank DRC and apparently controlled Kwanza Capital.

Gloria Mteyu, a shareholder in Kwanza Capital's investor, Sud Oil, personally held approximately 40 percent of BGFIBank DRC shares beginning in or around 2010.²⁶ In addition, Kinduelo was the BGFIBank DRC board chairman until late 2018.²⁷ Kwanza Capital's official articles of incorporation obtained by The Sentry list former BGFIBank DRC deputy director general and board member Abdel Kader Diop on Kwanza Capital's board of directors.²⁸ A former BGFIBank DRC official told The Sentry that Diop and other bank managers held meetings at BGFIBank DRC headquarters about Kwanza Capital's operations.²⁹ Another Kwanza Capital board member, former deputy mining minister Victor Kasongo, was on BGFIBank DRC's board of directors until November 2018.³⁰



Kwanza Capital's articles of incorporation indicate its board of directors included several individuals who were BGFIBank DRC managers and board members. Photo: The Sentry.



Apart from the overlap in personnel and ownership, banking data reviewed by The Sentry indicates there were other operational links between BGFIBank DRC and Kwanza Capital. The data shows that Kwanza Capital received several multi-million dollar loans from BGFIBank DRC.³¹ The same data shows that Kwanza Capital missed payments on one such loan in 2016 and incurred penalties.³²

Special Status

Kwanza Capital did not operate like other financial institutions in Congo. Rather, the objectives and operations outlined in the company's articles of incorporation mirror those of a private investment bank. According to the articles of incorporation, Kwanza Capital had the authority to, among other things, grant business loans, invest in companies, buy and sell securities and other financial products, and advise in matters of private wealth management. While Congolese law on banks and other lending institutions does not identify private investment banks as an authorized type of financial

institution in the country, the Central Bank of Congo's 2016 annual report indicates that Kwanza Capital benefited from an exception of sorts. It was able to operate across a range of financial activities by virtue of its status as a specialized financial institution, a statutorily defined type of lending institution of which there were only five in the country at that time.³³ The central bank's 2015 annual report does not mention Kwanza Capital, though the company reportedly obtained the status that year.

ACTIVITES DE LA BANQUE TITRE I

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Tableau B.17 Activités dénouées par les Bureaux de change agréés en 2016

	ACHATS						
	CV/CDF	CFA	RAND	GBP	EURO	FS	USD
TOTAL	3 171 887 748	5 690 000	1 590	0	1 294 687	0	10 413 369

	VENTES						
	CV/CDF	CFA	RAND	GBP	EURO	FS	USD
TOTAL	13 343 895 495	13 320 000	2 100	0	2 589 362	0	20 826 726

Source: Banque Centrale du Congo.

IV.4.2. Etablissements de Monnaie Electronique, EME en sigle

IV.4.3. Les institutions financières spécialisées

Cette catégorie regroupe cinq (5) institutions, à savoir: la Société Financière de Développement, SOFIDE en sigle, le Fonds pour la Promotion de l'Industrie, FPI en sigle, KWANZA Capital, le Fonds National de la Microfinance et le Fonds pour la Promotion de l'inclusion financière, FPM en sigle.

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A fin décembre 2016, l'analyse globale de ces institutions a révélé une forte détérioration de la qualité de leur portefeuille de crédit, impactant négativement le niveau de leurs fonds propres.

Excerpt from the Central Bank of Congo's 2016 annual report that shows Kwanza Capital's status as a specialized financial institution. Photo: Central Bank of Congo 2016 annual report.

Of the four other accredited specialized financial institutions listed in the Central Bank of Congo's 2016 annual report, three are state-run or majority state-owned, and the remaining institution is owned and managed by a consortium of European development agencies with support from multilateral organizations.³⁴ Congolese law on the banking and finance sector states that these specialized entities are lending institutions "to which the state has entrusted a public

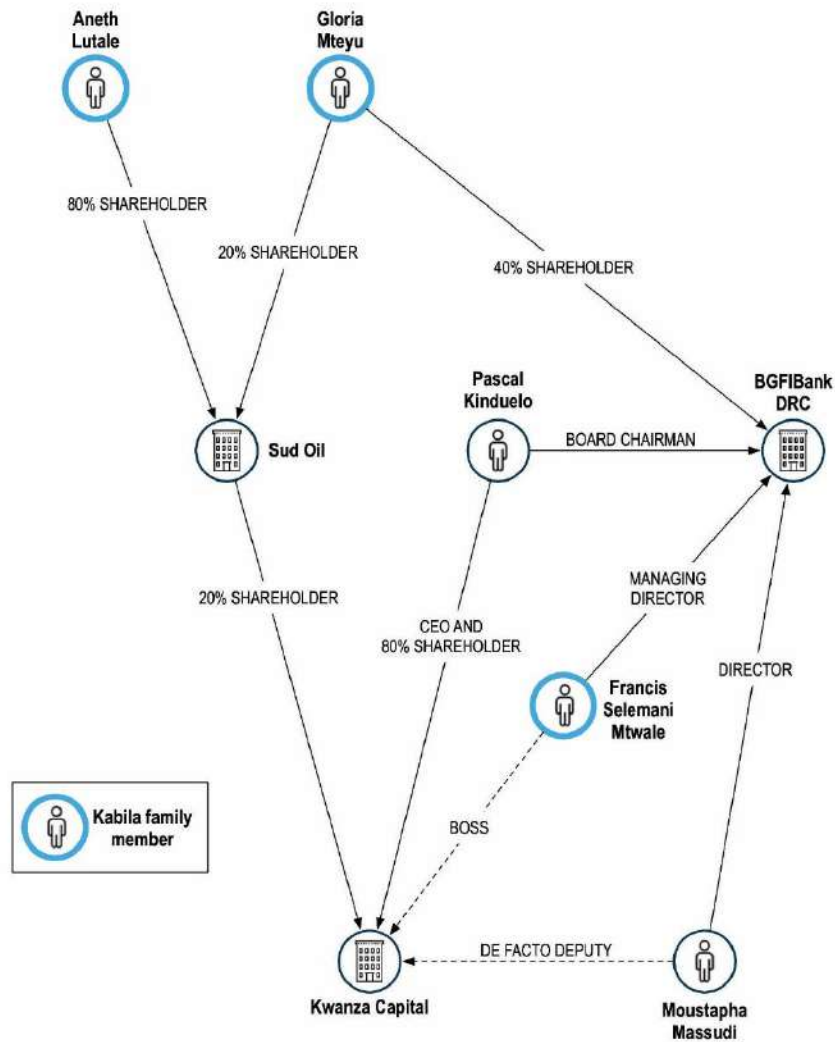
interest mission."³⁵ Kwanza Capital is the only institution that did not have as part of its mission the explicit goal of advancing inclusive economic development or improving living conditions for the Congolese population.³⁶ According to sources with knowledge of Congolese banking laws and regulations, it would not have been easy for Kwanza Capital to obtain authorization from the Central



Bank of Congo to operate as a specialized financial institution, in part because it did not qualify for that status. See Annex I for a translation of Kwanza Capital's commercial objectives.

Kwanza Capital's Ties to BGFIBank DRC, Kabila Family

Some key individuals linked to Kwanza Capital through ownership or control, including some Kabila family members, also had direct ties to BGFIBank DRC prior to late 2018.*



The Sentry established the relationships of ownership and control depicted in this graphic with publicly available documents and reports, Sud Oil's and Kwanza Capital's articles of incorporation, interviews, and BGFIBank DRC annual reports.

*Note: In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that, as of late 2018, Pascal Kinduelo, Francis Selemani Mtwale, and Moustapha Massudi ceased to serve in any role at the bank or at its parent company. Further, in response to questions posed by The Sentry, BGFIBank DRC representatives indicated that the bank's parent company, BGF Holding Corporation S.A., currently owns 100% of the bank's shares. Bank representatives did not indicate the timing or circumstances of Mteyu's reported sale or divestiture of any shares she may have held.



Buying Up Banks

Since its establishment, Kwanza Capital worked behind the scenes—sometimes not so subtly—to make acquisitions in the banking sector. While those deals ultimately failed, the means by which the firm tried to influence the sector underscore the risks posed by the web of Kabila family companies. One only needs to look to the example of BGFIBank DRC, with its historic links to the ruling elite and documented history of misadventures, to understand the dangers.³⁷ Had Kwanza Capital and its proxies successfully gained control over even one of these banks, it could well have damaged the ability of regulators, international banks, and other partners to properly vet transactions originating from an already risky jurisdiction. Even in failure, though, Kwanza Capital's and its allies' ambitions in the banking sector could have impacted foreign companies' calculation of risk in Congo, forestalled investment in a country beset by grinding poverty, and hampered efforts to boost financial inclusion.

Eyes on the Prize: Banque Commerciale du Congo

Between 2013 and 2017, members of the Kabila family and its allies made two attempts to acquire a majority stake in BCDC, one of Congo's largest commercial banks. Although neither attempt reached fruition, documents reviewed and interviews conducted by The Sentry shed light on how members of then-President Kabila's family and their close associates relied on corporate proxies and well-connected international parties to advance the deal.

BCDC is majority-owned by the Belgian-origin Forrest family, which has held a large stake in the bank for over a decade and owned roughly 67 percent of its shares at the end of 2017. The patriarch of the family, George Forrest, whose wealth Forbes estimated at \$800 million in 2016, oversees a vast commercial empire operating in mining and other sectors.³⁸ The Congolese government has also held a stake in BCDC since the mid-1960s, which was around 26 percent in 2017. BCDC has an expansive network of correspondent relationships with banks in the United States and Europe and is listed on the Brussels stock exchange.³⁹

Sources with knowledge of the first attempted acquisition told The Sentry that the Kabila family and its allies, operating through an intermediary, first made Forrest an offer for \$50 million in 2013 for his family's shares. Forrest reportedly declined because he found the offer insufficient and, significantly, could not verify that the source of the funds was legitimate. Some of the funds for the purchase had been misappropriated from government coffers, according to a source with knowledge of the deal. Faced with this failure, the Kabila family and its allies reportedly established Kwanza Capital as a front company to make acquisitions in the banking sector. In addition, sources told The Sentry that BCDC was the main target. Between 2014 and 2017, Kwanza Capital would return with a higher offer and attempt to address concerns around the origin of funds by seeking an outside financier.

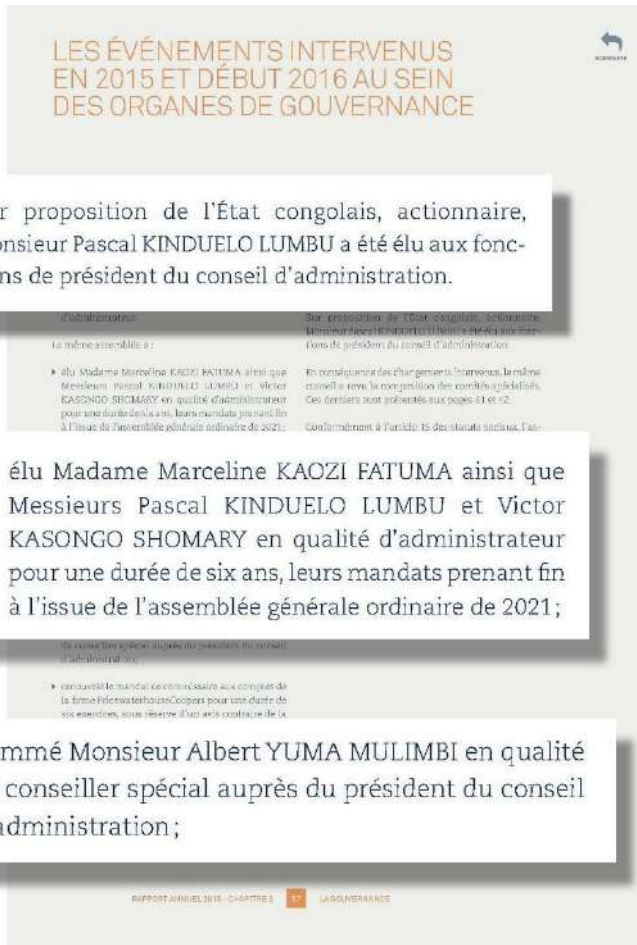
In 2015, close associates of then-President Kabila—including people affiliated with Kwanza Capital and, at the time, BGFIBank DRC—assumed key positions at BCDC. Sources with knowledge of the negotiations over the share acquisition told The Sentry that this was more than a mere personnel change, it was the first stage in a coordinated campaign to pressure Forrest to sell. Pascal Kinduelo, majority owner and CEO of Kwanza Capital and then-chairman of BGFIBank DRC's board, was



named BCDC's board chairman.⁴⁰ The annual report states that Kinduelo was elevated to this position “at the proposal of the Congolese state” in its capacity as a shareholder.⁴¹ Kinduelo's special advisor was to be Albert Yuma, the head of Congolese state-owned mining company Gécamines

since 2010, a director on the Central Bank of Congo's board and member of its audit committee since at least 2007, and—in Kinduelo's mold—the president of Congo's powerful business lobbying group since 2005.⁴² Subsequent BCDC annual reports, however, do not list Yuma as having any role on the board. A source told The Sentry that Yuma ultimately elected not to take the position as Kinduelo's advisor because he perceived a conflict of interest with his formal roles at the central bank. Victor Kasongo, then a board member of Kwanza Capital and BGFIBank DRC, was also named a non-executive member of BCDC's board.⁴³ According to a source with knowledge of the changes to the board of directors in 2015, some senior figures in BCDC formally opposed Kinduelo's appointment as chairman.

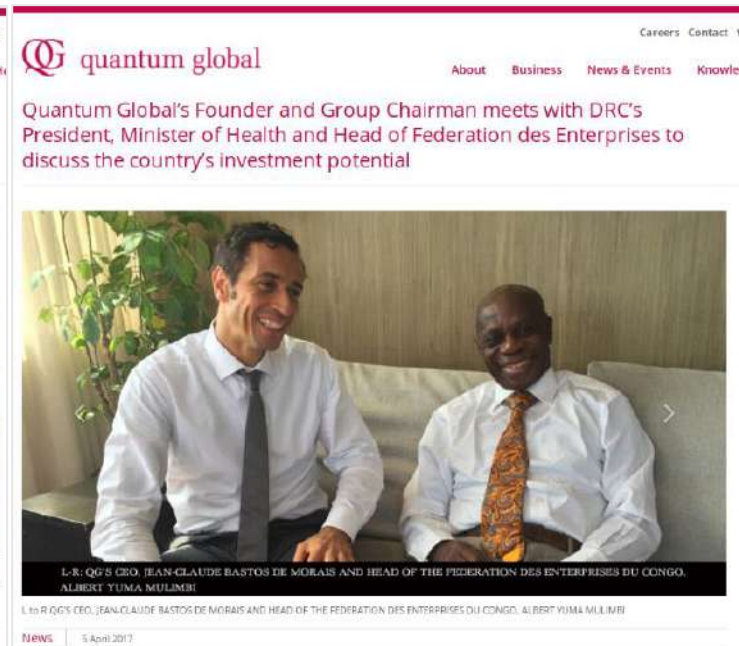
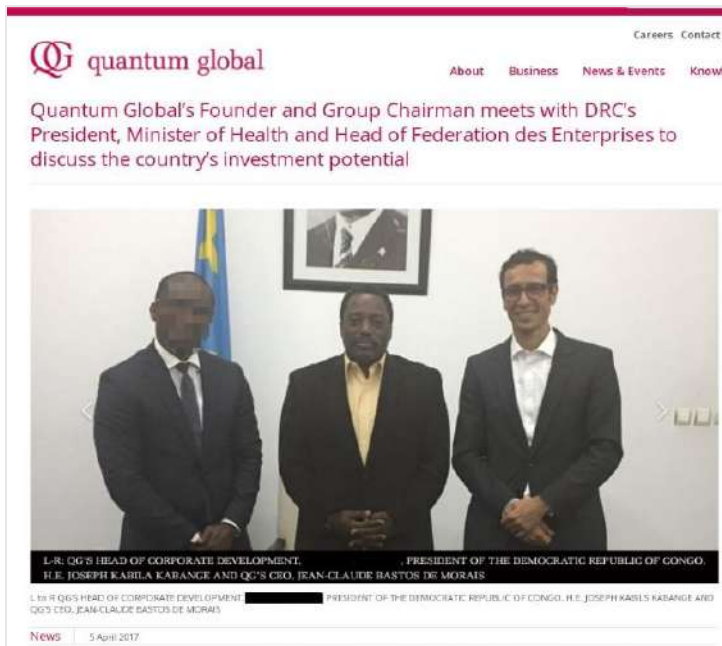
According to sources familiar with the second attempt, Switzerland-headquartered investment firm Quantum Global offered Kwanza Capital a loan of between \$70 million and \$80 million to finance the acquisition of the Forrest family's shares in BCDC.⁴⁴ Quantum Global's CEO, Swiss-Angolan national Jean-Claude Bastos, apparently was himself directly involved in aspects of the deal along with as many as two other senior Quantum Global staff members. One source with knowledge of the negotiations indicated that a Quantum Global representative said the money for the loan would come from an unspecified African sovereign wealth fund.



Excerpt from BCDC's 2015 annual report shows that allies of former President Joseph Kabila, including then-board members of Kwanza Capital and BGFIBank DRC Pascal Kinduelo and Victor Kasongo, assumed key positions at the bank that year. Photo: BCDC 2015 annual report.

Quantum Global has proven as controversial as it is well-connected. Information posted on Quantum Global's website from April 2017 shows that Bastos had access to the highest levels of power in Congo and indicates that he was actively seeking investment opportunities in the country.⁴⁵ The company's activities elsewhere have drawn scrutiny from authorities. Bastos has reportedly been under investigation in Angola, Mauritius, Switzerland, and the United Kingdom.⁴⁶ He was reportedly arrested in Angola in 2018 as part of a criminal investigation into alleged illicit financial practices linked to Quantum Global's management of the \$5 billion Angolan sovereign wealth fund, commonly





In April 2017, Quantum Global CEO Jean-Claude Bastos met with then-President Joseph Kabila and Albert Yuma about investment opportunities in Congo. Photo: Quantum Global Group press release, April 5, 2017.

known by its Portuguese-language acronym FSDEA.⁴⁷ In April of that same year, authorities in Mauritius froze 58 Quantum Global bank accounts in the country and withdrew business licenses for seven of the funds the company managed there.⁴⁸ At the time Quantum Global allegedly participated in these practices, Bastos' business partner José Filomeno dos Santos, son of former Angolan President José Eduardo dos Santos, managed the FSDEA.⁴⁹ Like Bastos, he has since become the focus of an anti-corruption probe in Angola under current President João Lourenço. In 2018, Angolan authorities also arrested José Filomeno dos Santos under suspicion of money laundering, misappropriation of public funds, and fraud.⁵⁰ In March 2019, the Angolan government released Bastos after reaching a settlement related to Quantum Global's management of the FSDEA, and authorities in Mauritius subsequently reinstated the business licenses for Quantum Global's funds.⁵¹ The same month, Angolan authorities reportedly also released José Filomeno dos Santos from detention.⁵²

Sources with knowledge of the negotiations told The Sentry that the French affiliate of U.S.-headquartered firm Orrick provided legal services to Kwanza Capital in its attempt to buy the Forrest family shares in BCDC and that then-Orrick attorney Pascal Agboyibor, who led Orrick's Paris office and served on the U.S.-headquartered firm's board until March 2019, was directly involved in the BCDC negotiations.⁵³ Agboyibor at that time served as an advisor on financing for a major hydroelectric project in Congo and had advised Gécamines on a number of high-profile mining deals.⁵⁴ A source with knowledge of the negotiations added that Gécamines CEO Albert Yuma, who is reportedly a close associate of Agboyibor, attended multiple rounds of negotiations, as did



Kinduelo in his capacity as Kwanza Capital's CEO. Bank records for Kwanza Capital reviewed by The Sentry substantiate Orrick's involvement. Most notably, these records show that, in November 2014, Kwanza Capital wired \$298,469.04 to Orrick's Paris office, Orrick Rambaud Martel. Orrick's involvement in the deal—with the participation of a then-board member—raises questions about the extent to which the firm conducted due diligence on Kwanza Capital and Quantum Global. Information suggesting Kwanza Capital's links to politically exposed persons was available in official articles of incorporation and board meeting minutes through the government's official journal.⁵⁵ Further, Bastos had already been charged in 2011 by Swiss authorities for "repeated qualified criminal mismanagement."⁵⁶ In addition, Bastos' business ties to José Filomeno dos Santos, whose father appointed him to head the FSDEA almost exactly one year before Kwanza Capital's establishment, were easily discoverable in the public domain.⁵⁷

Date	Compte	Description	Debit	Credit
04/11/2014	BAANIN	RET.DEV. Retrait effectué par MR PASCAL	22.129,92	
04/11/2014	AUTOIO	AGIOS DU 30/09/14 AU 31/10/14	80,48	
07/11/2014	BAANIN	RET.DEV. Retrait effectué par MR PASCAL	5.831,32	
10/11/2014	LODIIN	VERS.DEV. APPRO COMPTE		378.000,00
11/11/2014	MAMAIN	TRANSFERT 26100 TRF00009910	298.469,04	

BGFIBANK RDC
 Agence : AGENCE ROYAL
 Date : a
 Page :
 Compte No : USD
 No Client :
 Intitule : KWANZA CAPITAL SA
 KWANZA CAPITAL SA

Date	Compte	Description	Debit	Credit
11/11/2014	MAMAIN	Transfert en faveur de : SCP RAMBAUD MARTEL	3.462,24	
11/11/2014	MAMAIN	Motif : DEC	2.556,00	

Picture of account document that demonstrates Kwanza Capital's payment to Orrick Rambaud Martel in November 2014. Photo: The Sentry.

The second attempt to acquire Forrest's shares in BCDC ultimately failed in early 2017 for compliance reasons, according to sources with knowledge of the matter. The sources added that, despite the campaign to pressure Forrest to sell, the deal would never have satisfied due diligence standards outside Congo. Beyond the role of several parties in this matter, there are also structural causes for concern. Under Kwanza Capital's control, the bank could have benefited from inappropriate government help. Due to Kwanza Capital's ties to senior government officials and the fact that the government had been a significant shareholder in BCDC for half a century, those officials



could have wielded the institutions of state to provide BCDC support in a way that would not be in line with standard practices, all while claiming to protect the government's stake.

Games without Frontiers: Banque Internationale pour l'Afrique au Congo

Information acquired by The Sentry raises questions about the extent to which Selemani and Massudi, under the auspices of Kwanza Capital, influenced the fate of troubled Banque Internationale pour l'Afrique au Congo (BIAC) and facilitated a foreign company's effort to take it over. The Sentry has reviewed corporate records and information from publicly available sources that appear to show the Central Bank of Congo failed to act independently in the matter, which may have paved the way for Kwanza Capital's allies to acquire the struggling business under favorable conditions.

BIAC had been in a difficult position for some time and had been unable to identify a partner to refinance its operations.⁵⁸ The bank reportedly had extended considerable credit to companies linked to its owners and held a large portfolio of non-performing loans.⁵⁹ In June 2015, the central bank placed BIAC under audit, which it completed in February 2016.⁶⁰ That month, the central bank also suspended BIAC's access to a line of credit, which led to a run on the bank and roiled Congo's financial sector.⁶¹ In May 2016, the central bank took over BIAC with the goal of facilitating its purchase.⁶² At the same time the Central Bank of Congo took control of BIAC, Central Bank Governor Deogratias Mutombo submitted a legal complaint to Congo's attorney general against members of BIAC's board for alleged mismanagement.⁶³ The government reportedly received at least one viable expression of interest from a potential buyer in June of that year.⁶⁴ Despite this, the central bank ultimately focused on an

The Kabila family set its sights on BIAC well before it fell under government control.

unlikely candidate, China Taihe Bank of Congo (CTBC), which was established in late September of that year and authorized to operate as a commercial bank in Congo just weeks later.⁶⁵ The deal ultimately did not go through, but this succession of government interventions and the effort by CTBC to buy BIAC are not the whole story.

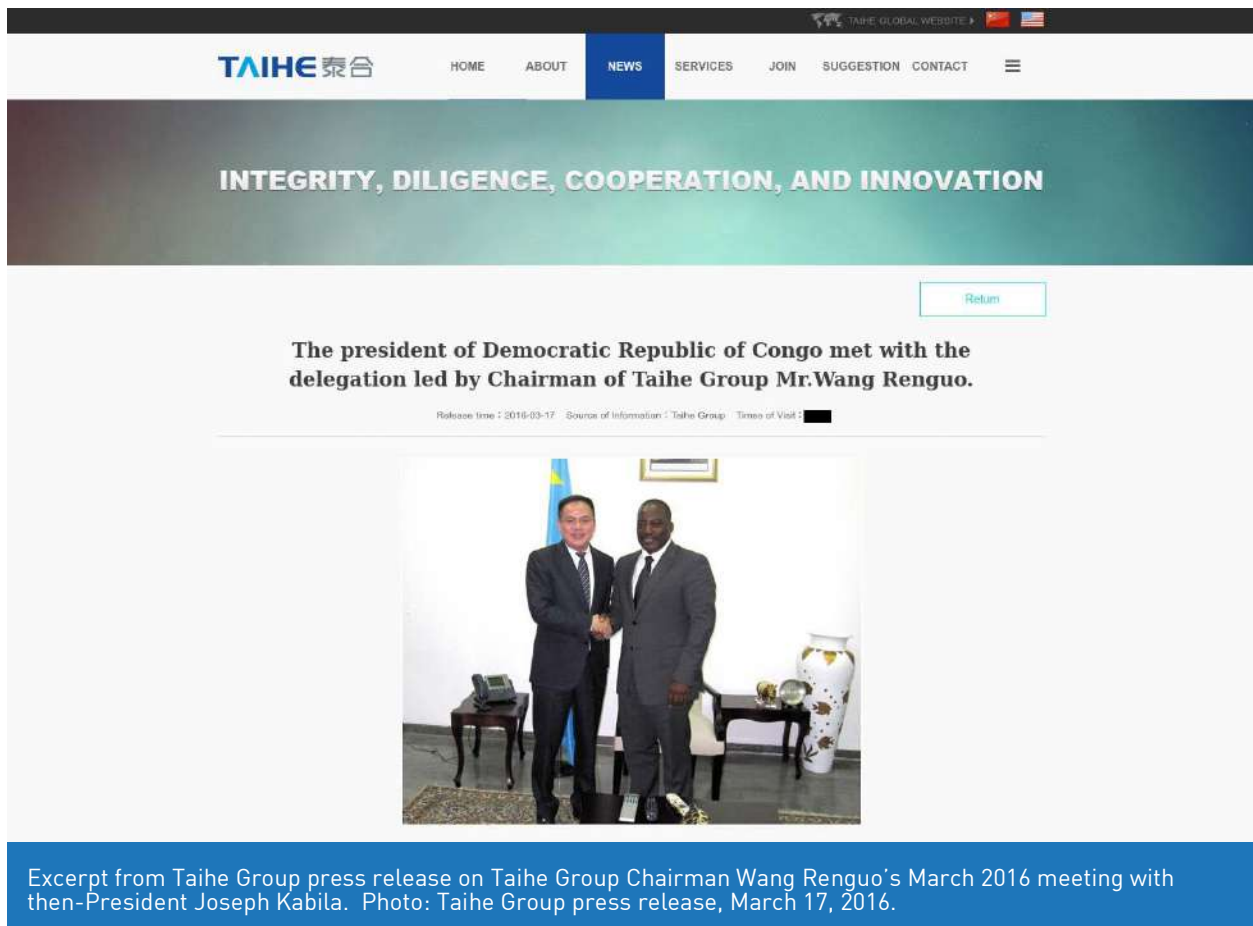
The Kabila family set its sights on BIAC well before it fell under government control. In early 2014, Selemani sent an emissary to BIAC with an offer to buy the bank, intending to grow BGFIBank DRC by absorbing its competitor, according to a source with knowledge of the matter. BIAC's owners, the Blattner family, reportedly considered the offer too low, and some within BIAC saw an opportunity to reinforce the bank's financial position with newly installed management.

From 2015 to 2016, Selemani and Massudi were conducting outreach that received scant public notice. They reportedly met at least five times during this period with the leadership of Sichuan, China-based conglomerate Taihe Group, the parent company of CTBC via a wholly-owned subsidiary registered in Hong Kong, to discuss investment opportunities in Congo.⁶⁶ A Chinese-language press release available on Taihe Group's website indicates that one such meeting took place in March 2015, during which Selemani and Massudi held discussions with Taihe Group Chairman Wang Renguo and three other Taihe Group directors. Wang, an influential entrepreneur



from Sichuan, has presided over Taihe Group's expansion into a number of economic sectors, including banking and finance, and into new global markets like Congo.⁶⁷ Two other meetings Selemani and Massudi attended along with Taihe Group officials, including Wang, apparently took place in 2016.⁶⁸ The attendees at these meetings and the content of the discussions are noteworthy.

In mid-March 2016, Taihe Group officials held meetings in Kinshasa with key Congolese government officials. Taihe Group press releases document discussions the company had with then-President Kabila and Central Bank Governor Mutombo. According to a press release about a March 16, 2016 meeting between Wang and Kabila, the latter told Wang that the "president" of BGFIBank DRC, apparently a reference to Selemani, advocated for Kabila to hold the meeting. Wang noted Selemani's and Massudi's earlier trips to discuss investment opportunities with Taihe Group leaders. A Chinese-language version of the press release notes that Selemani was present for Wang's meeting with then-President Kabila and describes a dialogue between Selemani and Kabila.⁶⁹ According to the document, Selemani stated that he and Wang had already discussed Kabila's "urgent needs." Wang then interjected, saying that Taihe Group would provide "active support" for



The screenshot shows the Taihe Group website's news section. At the top, there is a navigation bar with the Taihe Group logo and menu items: HOME, ABOUT, NEWS, SERVICES, JOIN, SUGGESTION, CONTACT. Below the navigation bar is a banner with the slogan "INTEGRITY, DILIGENCE, COOPERATION, AND INNOVATION". The main content area features a news article titled "The president of Democratic Republic of Congo met with the delegation led by Chairman of Taihe Group Mr.Wang Renguo." The article includes a "Return" button, a "Release time : 2016-03-17" field, a "Source of Information : Taihe Group" field, and a "Times of Visit : [redacted]" field. The article's main image shows two men in suits shaking hands in an office setting. Below the image, there is a blue caption box with the text: "Excerpt from Taihe Group press release on Taihe Group Chairman Wang Renguo's March 2016 meeting with then-President Joseph Kabila. Photo: Taihe Group press release, March 17, 2016."



these needs and that he would discuss the specific details with Kwanza Capital. See Annex II for the translated contents of the Chinese-language press release on this meeting.

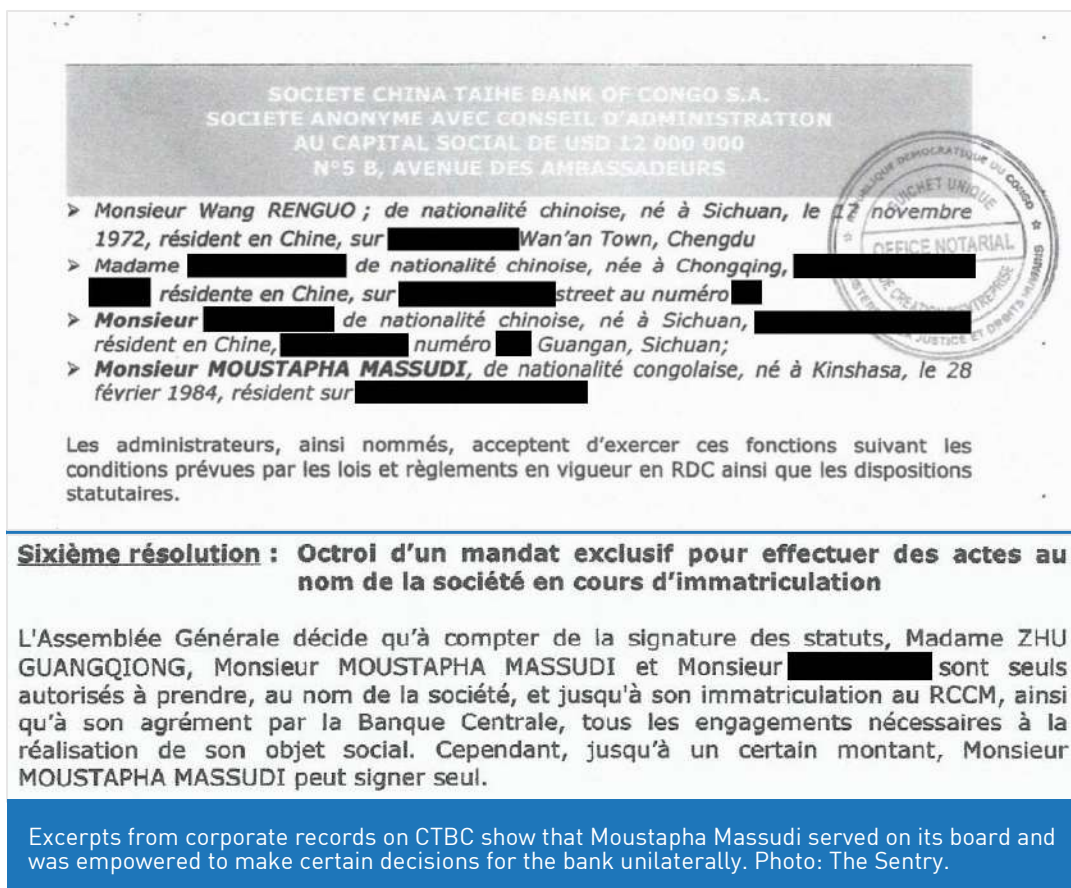
The day after Wang’s meeting with then-President Kabila, a Taihe Group press release indicates he met with central bank leadership. Specifically, Wang met Mutombo and other central bank officials regarding the company’s desire to invest in the banking, insurance, and securities sectors. The Sentry has also found an archived Chinese-language version of the press release that includes amplifying details.⁷⁰ Most notably, it reports that central bank officials told the Taihe Group delegation that the Central Bank of Congo would “wholeheartedly provide support and services to Taihe Group.” One picture accompanying the press release is significant. In it, members of the Taihe Group delegation stand with Mutombo and other central bank officials. Next to Mutombo are Selemani and Massudi. Multiple banking sources interviewed by The Sentry viewed the photo and identified central bank officials with high-level oversight responsibilities that could have enabled them to influence BIAC if they chose to do so. Their presence in such a meeting with a potential investor several months prior to the central bank taking over BIAC would, according to the sources, be highly irregular. Furthermore, the central bank is an independent organ of the state that does not have as part of its mandate such investment promotion or the advancement of private financial interests.⁷¹ The aforementioned meeting would thus be particularly worrisome if the attendees made any commitments related to BIAC, an institution with systemic importance to the banking sector at that time. See Annex III for the translated contents of the Chinese-language press release on this meeting.



In March 2016, the Taihe Group delegation met with senior central bank officials, Francis Selemani Mtwale (fourth from left), and Moustapha Massudi (second from left). Photo: Taihe Group press release, March 24, 2016.



Another critical red flag in the story of BIAC rests with notable, previously unreported links CTBC had to individuals connected to the presidency. Among the members of CTBC's board of directors were Massudi, BGFIBank DRC's then-commercial and marketing director and Selemani's de facto deputy at Kwanza Capital, and senior government official Moise Ekanga, according to corporate documents reviewed by The Sentry. Ekanga, reportedly a close ally to former President Kabila, is the primary Congolese official responsible for managing a multi-billion dollar joint venture between the Congolese government and a group of Chinese companies.⁷² While Ekanga was named an independent director, the same documents indicate that Massudi was one of the now defunct CTBC's five primary directors. Moreover, the documents indicate that Massudi was empowered to make certain decisions for the bank unilaterally.



A Worrying Thing: First International Bank DRC

According to documents reviewed and interviews conducted by The Sentry, in late 2015 Kwanza Capital began targeting the Congolese subsidiary of Banjul, Gambia-based First International Bank Group Ltd, which is commonly known as FIBank DRC.⁷³ Kwanza Capital apparently sought to absorb FIBank DRC through a separate commercial bank venture established for that purpose, according



to sources with knowledge of this activity. The company ultimately failed to execute the acquisition, but the attempt further illustrates the importance of due diligence on firms like Kwanza Capital.

In 2015, FIBank DRC was reportedly experiencing financial difficulties and, on December 11 of that year, the central bank appointed a provisional committee purportedly to help the bank emerge from the crisis.⁷⁴ Fewer than two weeks later, Kwanza Capital CEO Pascal Kinduelo, Sud Oil General Manager David Ezekiel, and two other shareholders largely unknown in the Congolese banking community signed formal articles of incorporation for a new commercial bank venture called Alliance Bank, according to documents reviewed by The Sentry. The bank was also to be collocated with Kwanza Capital in the same garage. Documents reviewed by The Sentry and a publicly leaked identification form indicate that Kwanza Capital held an 80 percent stake in Alliance Bank, and the new venture's board of directors was almost entirely composed of individuals linked to Kwanza Capital. The board also included noteworthy individuals who were not affiliated with Kwanza Capital.

Ainsi fait à Kinshasa, le 22.12.2015

1. Pour la société KWANZA CAPITAL
Monsieur KINDUELO LUMBU Pascal
Son Président Directeur Général
2. Monsieur David William EZEKIEL
3. Monsieur LODI DIONGO Peter
4. Monsieur MUKANDJI MUSEU Gabriel

[Above] Corporate records show that Pascal Kinduelo and others signed Alliance Bank's articles of incorporation on December 22, 2015. Photo: The Sentry.

[Right] Corporate records on Alliance Bank reveal its amount of share capital, the date at which it began operations, and some members of its board. Photo: The Sentry.

110 Ou L'OUVERTURE d'un ETABLISSEMENT SECONDAIRE
A.P. Porto Novo 23/24 juin 1999

RENSEIGNEMENTS RELATIFS A LA PERSONNE MORALE
ALLIANCE BANK

DENOMINATION: ALLIANCE BANK
NOM COMMERCIAL: ENSEIGNE: en SIGLE
ADRESSE DU SIEGE: KINSHASA AVENUE TOMBAL BAYE N° 43, DANS LA COMMUNE DE LA GOMBE, en R.D. Congo
ADRESSE DE L'ETABLISSEMENT CREE:
FORME JURIDIQUE: S.A. N° R.C.C.M. du siège : CD/KIN/RCCM/16-B-8408
CAPITAL SOCIAL: 12.000.000 USD DONT EN NUMERAIRES: DONT EN NATURE:
DUREE: 99 Années entières consécutives

ACTIVITE: ACTIVITE PRINCIPAL: (préciser) : D'exécuter à titre de profession habituelle, en tout pays, et plus particulièrement en R. D. Congo, toutes opérations commerciales de banques et notamment de faire pour compte de tiers ou en participation, toutes opérations financières, commerciales, mobilières, immobilières et généralement, toutes opérations et entreprises pouvant intéresser la banque, notamment les opérations suivantes dont la liste n'a pas un caractère limitatif, recevoir du public des dépôts de fonds en compte ou autrement, produits d'intérêts ou non, remboursables à vue, à terme ou à toute personne physique ou morale des crédits d'escompte, et en conséquence, escompter tous effets de commerce, lettres de change, billets à ordre, chèques, warrants, effets, bons et valeurs émis par le trésor public ou par les collectivités publiques ou semi-publiques et en général, toutes sortes d'opérations résulter d'opérations industrielles, agricoles, commerciales ou financières ou

Date de début : 07 MARS 2016 Nombre de salariés prévus
PRINCIPAL ETABLISSEMENT OU SUCCURSALE :
Adresse : Origine : Création, Achat, Apport, Prise en location gérance, Autre (préciser):
Précédent exploitant: Nom: Prénoms:
Adresse: N° RCCM:
Loueur de fonds (nom/dénomination, adresse):

ETABLISSEMENTS SECONDAIRES: (autres que celui créé) - Non, Oui (préciser):
Adresse:
Activité:

ASSOCIES TENUS INDEFINIMENT ET PERSONNELLEMENT (*)
RESUME DES INFORMATIONS:
NOM PRENOM DATE LIEU DE NAISS. ADRESSE

RENSEIGNEMENTS RELATIFS AUX DIRIGEANTS (*) (**)
(*) Concerne les Gérants, Administrateurs ou associés ayant le pouvoir d'engager la personne morale
(**) Les renseignements ne pouvant figurer ci-dessous doivent IMPERATIVEMENT être reportés sur le formulaire complémentaire Mo Bis annexé

NOM	PRENOM	DATE LIEU DE NAISS.	ADRESSE	FONCTION (***)
Mr. KALEU NKAND		21/11/1960 A LIKASI	Commune de Lubumbashi Prov. Haut- Katanga	P.C.A.
			Commune de Ngaliema	DIR. GEN.
M. KWANZA CAPITA SAL		N° CD/KIN/RCCM/14-B-2628	Av. Tombalbaye n° 43 C/Donbe	ADMIN.

(***) Préférer: Gérant, PDG, Administrateur, Associé

COMMISSAIRES AUX COMPTES
NOM PRENOM DATE LIEU DE NAISS. ADRESSE FONCTION TITULAIRE SUPPLEANT

LE SOUSSIGNE (préciser si mandataire) Me. DEMANDE D'IMMATRICULATION AU
Demande à ce que la présente constitue L'Acte Uniforme sur le droit commercial général a été vérifiée par le Greffier Titulaire de soussigne qui a procédé à l'inscription, Le 07/03/2016 sous Le N° CD/KIN/RCCM/16-B-8408

Fait à Kinshasa Le 07/03/2016



The most significant of these was its chairman, Kalej Nkand, who served as CEO of the state-owned mining company Gécamines until being fired by then-President Kabila in 2014 for alleged mismanagement and participation in an apparent fraud scheme, charges of which he was subsequently cleared.⁷⁵

In March, the Central Bank of Congo authorized Alliance Bank to operate as a commercial bank in Congo.⁷⁶ But the effort came to a halt a year later. At the time when Alliance Bank was attempting to start up its operations, a number of factors stymied it. The U.S. Treasury Department imposed multiple rounds of sanctions against Congolese government officials, major Western banks began more closely scrutinizing their partnerships in the Congolese banking sector, and NGOs and press outlets published several reports about BGFIBank DRC. Alliance Bank informed the central bank in March 2017 that it had been unable to establish relationships with correspondent banks to process U.S. dollar-denominated transactions, without which the bank would not have been able to operate in a heavily U.S. dollar-dependent economy. Within about three months, in June 2017, Cameroon-headquartered Afriland First Bank acquired FIBank DRC.⁷⁷

Banking data reviewed by The Sentry raises additional red flags about Alliance Bank and its authorization to operate as a commercial bank in Congo. Specifically, Alliance Bank may not have had any capital until months after it received this authorization from the central bank. The banking data indicates that Kwanza Capital wired a \$12 million “capital release” to an Alliance Bank account in July of that year, which is precisely the amount of share capital indicated in Alliance Bank’s articles of incorporation. This payment was preceded by a series of suspicious transactions in which Kwanza Capital consolidated the funds in a U.S. dollar-denominated account at BGFIBank DRC that it had established in April of that year.



Picture of account document that demonstrates Kwanza Capital’s \$12 million “capital release” to Alliance Bank in July 2016. Photo: The Sentry.



Well-Connected Across the Banking Sector

Key individuals involved with Kwanza Capital and BGFIBank DRC apparently were also connected to multiple other banks through positions of formal or de facto control, ownership, and board membership.*

	Kwanza Capital	BGFIBank DRC	Banque Commerciale Du Congo (BCDC)	Alliance Bank	China Taihe Bank of Congo (CTBC)
Francis Selemani Mtwale	⊗	⊗ ○		⊗	
Moustapha Massudi	⊗	⊗		⊗	⊗ ○
Pascal Kinduelo	⊗ ⊕ ○	○	○	⊗ ⊕ ○	
Victor Kasongo	○	○	○	○	

- ⊗ Formal or de facto control
- ⊕ Ownership
- Board membership

*The Sentry established the relationships of ownership and control and board membership depicted in this graphic with publicly available documents and reports, Kwanza Capital's and Alliance Bank's articles of incorporation, interviews, BGFIBank DRC annual reports, BCDC annual reports, and corporate records on CTBC. In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that, as of late 2018, Francis Selemani Mtwale, Moustapha Massudi, Pascal Kinduelo, and Victor Kasongo ceased to serve in any role at the bank or at its parent company.



Following the Money

The Sentry has reviewed extensive records documenting both Kwanza Capital's and Sud Oil's transactions using accounts at BGFIBank DRC and interviewed sources with knowledge of these documents and the companies' activities. The Sentry used these materials to perform an analysis of the companies' operations using standard guidance from the FATF, the Organisation for Economic Co-operation and Development (OECD), and the U.S. government for identifying probable illicit financial activity. Through this review, The Sentry identified numerous red flags for financial crimes, including the apparent diversion of public funds, large cash withdrawals by individuals associated with former President Kabila, and a range of highly questionable accounting practices apparently designed to keep prying eyes from following the money trail. In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that the bank takes compliance matters "very seriously" and that it has made "continuous improvements in these areas, consistent with both its legal obligations and with industry best practices," particularly since late 2018. The bank also reported having "undergone significant changes in personnel and leadership over the last year."

What do these companies actually do?

One of the most fundamental forms of due diligence is assessing whether a company actually does what it says it does. According to FATF, OECD, and U.S. government guidance on assessing financial transactions for indicators of illicit operations, activities inconsistent with a company's stated purpose are a typical red flag for money laundering.⁷⁸ After an extensive review of Kwanza Capital's and Sud Oil's banking data and interviewing sources with knowledge of their banking activity and operations, The Sentry was unable to identify commercial activity in line with the companies' stated objectives. By the same token, numerous red flags appeared indicating that both Kwanza Capital and Sud Oil may have existed for reasons other than those indicated in their formal articles of incorporation.

Though Kwanza Capital was on paper designed to operate as an investment bank, much of its capital was unproductive and showed little orientation toward return on investment. The Sentry analyzed several years of banking records in the company's accounts at BGFIBank DRC and found no discernible revenue stream for Kwanza Capital other than capital provided by Sud Oil and vague, largely unexplained transfers.

Of the more than one hundred million dollars that moved through Kwanza Capital's accounts from 2014 to 2016, only a small percentage appears to have gone toward a profit-generating end. Much of the company's available capital was consistently tied up in low-yield, short-term deposits at BGFIBank DRC after being deposited into Kwanza Capital's accounts by Sud Oil or other entities. In fact, as a general matter, Kwanza Capital would almost immediately deposit any capital injections from Sud Oil into these low-yield instruments, which would be followed by additional transfers from Sud Oil or otherwise undisclosed parties.

Numerous red flags appeared indicating that both Kwanza Capital and Sud Oil may have existed for reasons other than those indicated in their formal articles of incorporation.



The primary example of Kwanza Capital's potential profit-generating activity relates to the 2015 purchase of a 60 percent stake in struggling textile manufacturer Société Textile de Kisangani (SOTEXKI).⁷⁹ At the time, the Congolese government held SOTEXKI's remaining shares.⁸⁰ However, even in this case, sources with knowledge of the matter told The Sentry they were not aware of any meaningful effort Kwanza Capital made to increase SOTEXKI's profitability.

The Sentry conducted the same type of analysis on Sud Oil. To do so, The Sentry evaluated Sud Oil's banking activity, conducted interviews with sources and experts, and examined Congolese government documents regarding the company's operations. The Sentry reviewed banking data on Sud Oil and found no indicators of commercial activity apart from rental income. Over a roughly two-year period, BGFIBank DRC paid Sud Oil approximately \$180,000 for the apparent rental of unspecified properties.⁸¹ Notably, sources told The Sentry that Sud Oil had no observable activity in its garage headquarters. They specified that no Sud Oil staff were present and the company apparently did not maintain any infrastructure in line with its commercial purpose. Sud Oil also does not appear on any official Congolese taxpayer rolls since its re-registration in 2014, raising additional questions about whether the company conducted any business activity during that period.⁸² Kwanza Capital and almost 30 other companies known to be owned by or associated with the Kabila family appear on these lists, as do more than 60 oil and gas companies. The most recent tax document on which The Sentry found Sud Oil's name is from 2012, the year Kinduelo divested.⁸³ The Sentry also consulted experts on the oil and gas sector in Congo who found it implausible that Sud Oil was conducting business operations in the sector. Furthermore, an academic study of the sector, which includes an appendix on oil contracts in Congo, does not indicate any activity by Sud Oil.⁸⁴

Misappropriation of public funds?

According to the banking documents reviewed by The Sentry and information provided by individuals with knowledge of the transactions, Kwanza Capital and Sud Oil may well have been the beneficiaries of misappropriated funds. Given the number of politically exposed persons connected to Kwanza Capital's and Sud Oil's operations, regulators and financial institutions that scrutinized their activities should have paid particularly close attention to any operations that involved the use or potential misuse of public funds.

In 2015 and 2016, Kwanza Capital made a series of loans to Société Congolaise des Transports et des Ports (SCTP), a struggling state-owned enterprise focused on building and maintaining civilian transport and port infrastructure, ostensibly for projects related to a controversial private port. At the time of these transactions, SCTP was run by Kimbembe Mazunga, another Kabila ally who previously served as the president's infrastructure advisor and as governor of Kinshasa.⁸⁵ He was suspended from his position as director general of SCTP in November 2016 for unspecified reasons.⁸⁶ According to a source with knowledge of the transactions, the loans Kwanza Capital provided to SCTP served as a simple cover mechanism to hide the fact that participants in the scheme siphoned money from SCTP via accounts at BGFIBank DRC. Bank records reviewed by The Sentry indicate that Kwanza Capital did provide loans to SCTP and appear to corroborate the source's statements about misappropriation. In July 2015, the firm made seven transfers to SCTP totaling about \$2.4 million,



with six of the transfers taking place on the same day. Around six months later, SCTP transferred almost \$2.5 million to Kwanza Capital, ostensibly to repay the loans. Kwanza Capital then remitted the majority of those funds to Sud Oil several days later. Three weeks after the ostensible repayment, SCTP moved \$2 million out of one of its accounts at BGFIBank DRC, and Kwanza Capital transferred four tranches of \$500,000 to SCTP two days afterward. About a week later, SCTP wired \$110,000 to Kwanza Capital identified as an “anticipated interest payment.” Amid all these transfers, SCTP incurred approximately \$1 million in nominal penalties for missing loan payments to BGFIBank DRC, according to bank records reviewed by The Sentry.

Accounting Date	Value Date	Transaction Information		Debit	Credit
28/01/2016	28/01/2016	MOBI	EX042129 042129 063		
28/01/2016	28/01/2016	MOBI	EX042135 042135 063		
28/01/2016	27/01/2016	KAOS	VH101003075 003075 105	6,96	
			Beneficiaire SOC.COMM.DES TRANSPOR	1,16	
			TRANSPORTS ET DES	2.000.000,00	
			Motif NIVELLEMENT COMPTE		
28/01/2016	27/01/2016	KAOS	VH101003075 003075 105		
28/01/2016	28/01/2016	DIPA	VA101016870 016870 108	11.600,00	
			NIV RECETTE DU 26/01/2016		178,57
			MOTIF DU VIREMENT : NIV		
			RECETTE DU 26/01/2016		
28/01/2016	29/01/2016	DIPA	VA101016889 016889 108		
			NIV RECETTE DU 27/01/2016		124,82
			MOTIF DU VIREMENT : NIV		
			RECETTE DU 27/01/2016		
28/01/2016	29/01/2016	KAMO	VA101016896 016896 108		500.000,00
			KWANZA CAPITAL SA		
			MOTIF DU VIREMENT : PRET		
			LETTRE KC/PRET/20016/004		
28/01/2016	29/01/2016	KAMO	VA101016897 016897 108		500.000,00
			KWANZA CAPITAL SA		
			MOTIF DU VIREMENT : PRET		
			LETTRE KC/PRET/2016/003		
28/01/2016	29/01/2016	KAMO	VA101016898 016898 108		500.000,00
			KWANZA CAPITAL SA		
			MOTIF DU VIREMENT : PRET		
			LETTRE KC/PRET/2016/002		
28/01/2016	29/01/2016	KAMO	VA101016899 016899 108		500.000,00
			KWANZA CAPITAL SA		
			MOTIF DU VIREMENT : PRET		
			LETTRE KC/PRET/2016/001		
29/01/2016	01/02/2016	DIPA	VA101016925 016925 108		128,49
			NIV RECETTE DU 28/01/2016		
			MOTIF DU VIREMENT : NIV		
			RECETTE DU 28/01/2016		
01/02/2016	01/02/2016	MOBI	EX042293 042293 063	1,74	
01/02/2016	29/01/2016	AUTO	FS173000429 000429 173	11,60	
02/02/2016	03/02/2016	DIPA	VA101016976 016976 108		1.301,28
			NIV RECETTE DU 30/01-01/02/16		
			MOTIF DU VIREMENT : NIV		
			RECETTE DU 30/01-01/02/16		
02/02/2016	02/02/2016	AUTO	PS477045080 045080 477	131.756,07	
			RECouv. IMPAYE 1805		

Picture of SCTP account document that demonstrates a \$2 million transfer followed by ostensible loans from Kwanza Capital in January 2016. Photo: The Sentry.

Bank records reviewed by The Sentry further indicate that Sud Oil received funds diverted from government coffers. *Jeune Afrique* published a report in which it revealed that the Central Bank of Congo transferred \$7.5 million to Sud Oil in 2016 and that Sud Oil then moved \$5.8 million into a Kwanza Capital account roughly one month later.⁸⁷ As previously noted, Sud Oil lacked clear indicators of legitimate business operations, and, as such, there would appear to be no basis for Sud Oil to provide a good or service to the government at the level of the central bank transfer.⁸⁸ Moreover, The Sentry examined thousands of publicly available Congolese government contracting documents and found none mentioning Sud Oil or any contract for the provision of goods and services that approximately matched the details from the transfer, even though the government most likely should have held a call for tenders for the provision of \$7.5 million in goods or services.⁸⁹



Questionable accounting

According to standard guidance from the FATF, the OECD, and the U.S. government on identifying red flags for money laundering, transfers containing limited explanatory content and unexplained, repetitive, or unusual banking operations warrant additional due diligence. The Sentry found patterns along these lines in banking data on Kwanza Capital and Sud Oil. Transactions showed vague annotations that left the purpose for these operations obscured, often using terms such as “operations” or “account provision” to describe the rationale for numerous multi-million dollar transfers. In fact, sources with knowledge of these and other banking operations told The Sentry they understood the intent of the opacity and vague language used for the payment instructions to be part of a deliberate strategy by Selemani and Massudi to obscure the nature of certain sensitive transactions. For example, Kwanza Capital transferred \$5.3 million to an account held at BGFIBank DRC by the Congo-registered subsidiary of an at least partially Chinese state-owned company that has executed large-scale infrastructure projects in the country. The provided rationale for the payment was merely “transfer.”

Other large transactions through Kwanza Capital’s and Sud Oil’s accounts had discrepancies between the date the transfers were ordered and their effective dates. One example occurred around the time Sud Oil received \$7.5 million from the Central Bank of Congo in mid-May 2016. Sud Oil deposited the same amount of money into a short-term deposit at BGFIBank DRC weeks later on June 8, 2016, but the effective date of the deposit was marked as having happened almost a week prior to the central bank transfer. This disparity of almost a month should have raised red flags.

Another red flag arises from a pattern where transactions of the same or similar amounts cycled in and out of the companies’ accounts, especially when those transactions included little to no accompanying explanation or included explanatory information not consistent with the companies’ activities. A series of such transactions appear to have occurred around the time Sud Oil received the transfer from the central bank and made the apparently backdated term deposit at BGFIBank DRC of the same amount. Roughly one month after those transfers, Sud Oil received about \$7.5 million from a construction company for “provision of petroleum products,” even though available indicators suggest that Sud Oil had no such capacity.

Cash machine?

Banking data reviewed by The Sentry and public reporting on Kwanza Capital and Sud Oil indicate multiple connections to politically exposed persons beyond those outlined earlier in this report. The data raises red flags that these companies may have served as a source of ready cash for the Kabila family and its allies. Specifically, The Sentry identified large, round dollar withdrawals by individuals and questionable patterns that are classic red flags for money laundering. In all these cases, the actions were annotated as withdrawals with no supplementary explanation.

Banking data on Kwanza Capital displayed numerous withdrawals that raise red flags based on the aforementioned guidelines on money laundering. The most notable transactions include:



- Pascal Kinduelo withdrew about \$3.2 million dollars from the company's accounts over the course of four months, including a single withdrawal of a little over \$3 million in November 2014.
- In July 2015, Kwanza Capital transferred \$133,400 to Sezo International Trading Company, a company registered in 2003 by Selemani and other Kabila family members.⁹⁰
- The Sentry found over \$300,000 in check withdrawals with no accompanying information, of which the overwhelming majority was in large, round dollar amounts.

The Sentry also identified links within a Sud Oil bank statement to individuals close to President Kabila. Many of these transfers were also reported by *Jeune Afrique* in a 2018 article.⁹¹ They include:

- More than \$100,000 in transfers between Sud Oil and Sezo International Trading Company in 2014 and 2015.
- A May 2016 check worth \$640,000 received by Marc Piedbœuf, a Belgian national who managed former President Kabila's farm near the city of Lubumbashi and is reportedly a close friend of Selemani.⁹² A family member of a Piedbœuf business associate also received a check worth \$1.1 million from Sud Oil's account in June 2016.
- Checks worth about \$500,000 from Sud Oil's accounts received by Sud Oil's general manager, Tanzanian national David Ezekiel, over the course of roughly two years, including a single withdrawal of \$300,000 in 2014.

BGFIBANK RDC		AGENCE ROYAL		HISTORIQUE DES MOUVEMENTS DU		Page			
Compte No	Age	Dev	Chap.	Compte	Nom	Intitule			
		USD			KWANZA CAPITAL SA	KWANZA CAPITAL SA			
Date compta	Date valeur	Util	Exo	No piece	No eve	Ope	Libelle	Debit	Credit
							Transfert en faveur de : SCP RAMBAUD MARTEL		
							Motif : DEC		
11/11/2014	11/11/2014	MAMA	N	TE143003276	003276	1553	FRAIS / VIR.ETR.	3.462,24	
14/11/2014	13/11/2014	BAAN	N	VD016199	016199	026	VENTE DEVICES	2.556,00	
19/11/2014	19/11/2014	LODI	N	RD001064261	064261	024	RET.DEV.	3.017.402,32	
							Retrait effectué par MR PASCAL KINDUELO		
							Chèque n° 00421323		
19/11/2014	20/11/2014	KUHE	O	VA101009017	009017	108	SUD OIL		3.000.000,00
							MOTIF DU VIREMENT : APPRO		
							COMPTE		
							VIR.EMIS VIREMENT EN INSTANCE	22,09	

Picture of account document that demonstrates Pascal Kinduelo's withdrawal of about \$3 million from a Kwanza Capital account in November 2014. Photo: The Sentry.



Independent expert review

The Sentry asked three experts in illicit finance to conduct a review of banking documents and other materials evaluated during the course of the investigation. Their findings both supported and expanded upon The Sentry's own analysis (see Annex IV for the methodology of the review and other relevant findings from it). Their main findings are as follows:

- The experts observed that little in Kwanza Capital's and Sud Oil's banking activity indicated functional businesses.
- Each expert independently highlighted that the manner in which funds were moved between the companies' accounts and the structure of transactions to or from the companies suggested a rationale other than legitimate commerce. Two of the experts described the banking data as demonstrating typical indicators of a stage in the money laundering process called layering, during which the launderer attempts to move or convert illicitly obtained funds in a way that distances those funds from their original source.
- Without knowing the affiliation of the individuals or companies involved in the case, the three experts expressed concern about the number of individuals who had access to the accounts in question and their regular withdrawal of funds for unspecified reasons or reasons that had no apparent business rationale.



Conclusion

Kwanza Capital's boldest actions appear to have been largely unsuccessful, and the company is reportedly winding down its operations. Despite this apparent lack of success, there is reason for concern that even in failure the company's activities may have had a deleterious impact on Congo's banking and finance sector and that some regime insiders appear to have benefited substantially from those activities. In addition, banking data on Kwanza Capital and affiliate companies also reflects patterns that raise red flags for several forms of illicit finance, including potential misappropriation of state assets, as well as politically exposed persons apparently obscuring their involvement in a commercial venture in a manner that could serve to subvert due diligence. Finally, the activities set out in this report underscore concerns about the extent to which Kwanza Capital was the beneficiary of direct and unwarranted advantages from government officials and institutions of the state, including the very institution in charge of safeguarding the overall stability of the banking sector and preventing its abuse for corrupt ends.

For all these reasons, Kwanza Capital and the individuals and entities that owned, controlled, or benefited from it should draw scrutiny from law enforcement agencies, anti-money laundering authorities, and financial institutions that process transactions for corporate clients in Congo.

Recommendations

- **Public Advisory on the Money Laundering Risks Present in the Congolese Banking Sector:** The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) should issue a public advisory to U.S. financial institutions warning of the risks for money laundering presented in the Congolese banking sector. This advisory should build upon an earlier advisory issued by FinCEN in July 2018, which highlighted the connection between corrupt senior foreign political figures and their enabling of human rights abuses and included an example of the "use of tax haven shell companies by [a] financial facilitator of [the] DRC president to move and launder stolen mining revenues."
- **Examination of BGFIBank DRC's Past Conduct:** FinCEN should investigate the banking activities described in this report and, if warranted, take appropriate steps pursuant to the Patriot Act and other authorities to address the past conduct of BGFIBank DRC described in this report as well as any continuing concerns that such an investigation may uncover. In addition, financial intelligence units in Europe should investigate the conduct described in this report and, if warranted, issue advisories to banks and other financial institutions. As noted earlier in this report, in response to questions posed by The Sentry, BGFIBank DRC representatives indicated that the bank takes compliance matters "very seriously" and that it has made "continuous improvements in these areas, consistent with both its legal obligations and with industry best practices." Any investigation by FinCEN or other governments should carefully consider these reported measures.



- **Targeted Network Sanctions:** The United States and European Union should urgently investigate and, if appropriate, impose and implement two sets of targeted actions:
 - The U.S. government should investigate and act pursuant to Executive Order 13671 and the European Union should investigate and act pursuant to Regulation (EC) No. 1183 of July 18, 2005 and Regulation (EU) 2016/2230 (2), which are the principal U.S. and EU authorities used for sanctions related to Congo, to designate any senior members of the regime, including financial advisors, members of former President Kabila’s network, and their companies, that the United States and the European Union identify as having engaged in sanctionable activities.
 - The U.S. government should sanction anyone responsible for corruption, in connection with the transactions described in this document, pursuant to Executive Order 13818 of December 27, 2017, “Executive Order Blocking the Property of Persons Involved in Serious Human Rights Abuse or Corruption.”

- **Bank Due Diligence:**
 - U.S. and international financial institutions should consider transactions involving Congolese companies to be high-risk when undertaking a risk-based approach to anti-money laundering compliance and ensure robust “Know Your Customer” (KYC) measures are applied to identify the ultimate beneficiary of transactions and the onboarding of clients from Congo.
 - U.S. and overseas financial institutions that hold correspondent banking relationships with BGFIBank DRC or have processed transactions involving this bank should carefully consider the compliance risks presented by the past conduct described in this report and take appropriate actions to ensure that they were not involved in any past transactions that may have exposed them to illicit activity. Financial institutions should also undertake careful due diligence with respect to current or future relationships with banks in Congo to mitigate against the types of risks described in this report. Any investigation by financial institutions should carefully consider the measures reported by BGFIBank DRC described above.
 - Financial institutions that have processed transactions involving the individuals and entities described in this report should file suspicious transaction reports with their appropriate national financial intelligence unit.
 - Global correspondent banks should engage with and, as needed, pressure Congolese banks to improve customer due diligence (CDD) practices. In particular, these global correspondent banks should emphasize enhanced due diligence (EDD) on politically exposed persons, entities formally or informally associated with politically exposed persons, and high-risk transactions. To mitigate against possible de-risking, Congolese banks should ensure their correspondent banks are aware of all steps they are taking to improve CDD and implement EDD.

- **Empower Congo’s Financial Intelligence Unit:** The Congolese government should empower Congo’s financial intelligence unit, the Cellule Nationale des Renseignements Financiers (CENAREF), to conduct independent and thorough investigations of corrupt activities in support of Congolese law enforcement agencies and the national court system.



In particular, the government should staff the unit with experienced professionals, provide training to existing staff, and fully fund the unit. The government should also ensure that CENAREF staff have the other necessary resources to conduct investigations, including access to information from the public and private sectors and technology suitable for accessing, analyzing, and storing such information.

- **Depoliticize the Central Bank of Congo:** The government should reinforce the Central Bank of Congo's independence and guarantee compliance with the bank's legal mandate as laid out in law number 005/2002. As part of this effort, the Congolese government should thoroughly and transparently investigate the findings from this report regarding misappropriation of public funds, conflicts of interest, and politicization.
- **Restart an IMF program:** The U.S. Department of State and U.S. Treasury Department should strongly encourage the Congolese government to ask the IMF to restart a program in Congo, specifically an Extended Credit Facility. Such a program would improve Congo's fiscal situation, enhance transparency and monitoring of the Central Bank of Congo, a key institution that has had serious management issues, and enhance transparency in the mining sector. The IMF's transparency conditions and surveillance programs had a positive impact on corruption when the Fund had a Congo program in the 2000s, but the program was halted mainly due to a lack of political will by the Congolese government.
- **Investigate Funds Stolen from State-Owned Enterprises:** The Congolese government should investigate any cases of misappropriation of public funds involving state-owned or partially state-owned enterprises related to the individuals and entities outlined in this report. In particular, the government should audit SCTP's finances and act to recover any funds determined to have been misappropriated through transactions with Kwanza Capital.
- **Enforce Public Asset Declaration:** The Congolese government should enforce the requirement that all officials make comprehensive public declarations of their assets and any companies in which they have an ownership stake, over which they exercise control, or for which they serve as a director or advisor.
- **Public Corporate Registry:** The Congolese government, led by the Ministry of the National Economy and the Ministry of Foreign Commerce, should create a searchable online public registry of all corporate entities established in Congo to improve corporate transparency, public oversight, and accountability. Such a registry should adhere to guidance on beneficial ownership transparency set out in the 2012 FATF recommendations.



Methodology

This report and its findings are based on extensive interviews, documentary research, and financial forensic analysis undertaken by The Sentry. Individuals who spoke to The Sentry did so under the condition that their names would not be revealed out of concern about potential retaliatory action. The Sentry established the authoritativeness and credibility of information derived from interviews with such individuals through independent sources, expert commentary, financial data, documentation, press reports, and other information.

The Sentry endeavored to contact the persons and entities discussed in this report and afford them an opportunity to comment and provide further information. In most cases, these persons and entities did not respond to The Sentry's requests. Responses that were received have been included in our analysis and are otherwise reflected in the report itself. To distinguish comments received by The Sentry through this response process from other publicly available statements made by these entities, the report specifically notes which statements were received "in response to questions posed by The Sentry."

Acknowledgments

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The Sentry wishes to thank the Plateforme de Protection des Lanceurs d'Alerte en Afrique (PPLAAF) for its guidance at various points during the course of this investigation. Countless others shared their expertise, insights, and hospitality with The Sentry team throughout the course of this investigation—some of whom knowingly put themselves at risk while doing so. This report would not have been possible without their support. The report is stronger for all of these contributions. The statements made and views expressed are solely the responsibility of The Sentry.



Annex I

Kwanza Capital's Commercial Objectives

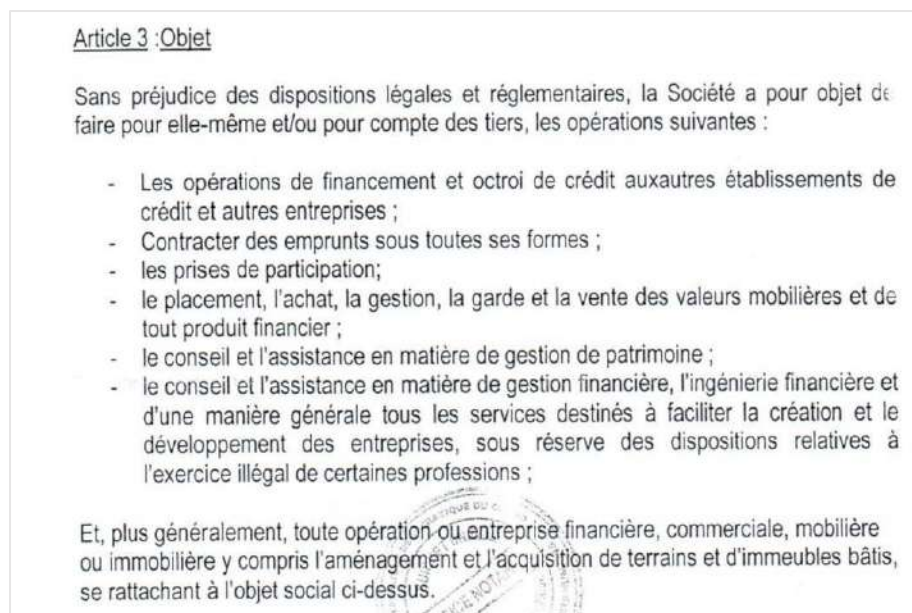
The below translated excerpt from Kwanza Capital's articles of incorporation shows that the company's commercial objectives mirror those of a private investment bank.

Article 3: Purpose

Without prejudice to the legal and regulatory provisions, the Company seeks to carry out, for itself and/or on behalf of third parties, the following operations:

- Financing and extension of credit to other credit institutions and other companies;
- Contracting of all types of loans;
- Equity investment;
- Investment, purchase, management, supervision and sale of transferable securities and any financial product;
- Advice and assistance relating to asset management;
- Advice and assistance relating to financial management, financial engineering and, broadly speaking, all services intending to facilitate the creation and development of companies, subject to the provisions regarding the illegality of certain professions;

And, more generally, any financial, commercial, personal or real estate operation or company, including the planning and acquisition of land and buildings, pertaining to the purpose described above.



[Original excerpt from Kwanza Capital's articles of incorporation. Photo: The Sentry]



Annex II

Taihe Group Delegation Meeting with Then-President Joseph Kabila

On March 16, 2016, Taihe Groupe Chairman Wang Renguo met with then-President Joseph Kabila regarding investment opportunities in Congo. The Sentry found an archived Chinese-language version of the press release on the website of a Sichuan-area chamber of commerce.¹ That version of the press release notes that Francis Selemani Mtwale and Moustapha Massudi were present at the meeting. According to the document, Selemani stated that he and Wang had already discussed Kabila's "urgent needs." Wang then noted that Taihe Group would provide "active support" for these needs and that he would discuss the specific details with Kwanza Capital. Below are the translated contents of the Chinese-language press release.

Wang Renguo, Chairman of Taihe Group, cordially received by Congolese President

On the 16th of March 2016, at the invitation of BGFIBank Congo, Taihe Group chairman Wang Renguo and his team visited the Democratic Republic of the Congo to formally look into a number of investment projects. They were cordially received by the President of the Democratic Republic of the Congo, Joseph Kabila, and friendly talks were held.

Chairman Wang Renguo introduced Taihe Group and their plans to invest in projects in the Congo. President Joseph Kabila extended a warm welcome to Taihe Group to Kinshasa, stating that he was paying a great deal of attention to the group's planned investments and would do his utmost to provide support.

Joseph Kabila said that China and the Congo have friendly relations and there are frequent exchanges with Chinese-funded enterprises. He said that private enterprises represented by Taihe Group will be an important driving force for the economic development of Congo-Kinshasa.

Joseph Kabila expressed his sincere hope for the development of Taihe Group. He also stated that he hoped that the group would continue to invest in Congo-Kinshasa in the long term and in multiple areas, thereby improving the lives of the people of Congo-Kinshasa.

The meeting greatly enhanced the investment confidence of Taihe Group in the Congo. It was an important milestone for the implementation of Taihe Group's globalisation strategy.

The following is a record of the meeting:

Mr President: I am very happy to meet you and your team. The president of BGFIBank told me that you were coming to Kinshasa for an inspection and hoped that I would be able to take time out to talk with you. I am happy to talk with you at any time.

Chairman Wang Renguo: Dear President Kabila, we are very happy to meet you in Kinshasa. Taihe Group is a private enterprise in China, mainly focused on finance, health, cultural tourism and real estate. Currently, we have branch offices in Beijing, Shanghai, Shenzhen and Hong Kong in China. We are committed to building Taihe Group into an integrated financial services group with global influence. Last

¹ The archived version is available at: <https://web.archive.org/web/20161028142809/http://www.hxcsh.com/content/?113.html>



year, Mr Francis and Mr Moustapha came to inspect our group on three occasions. I was deeply touched by their pragmatic working attitude and sincere enthusiasm in attracting investors. These visits also enhanced our confidence in investing in Congo-Kinshasa.

According to the preliminary agreement reached between the two parties, plans exist for banking, insurance, securities and other related financial industries in Congo-Kinshasa. At the same time, the group will gradually expand its industries in the nation. We hope this can receive the attention and support of the President.

Mr President: I am very glad that you have come to Congo-Kinshasa. The relationship between China and our country is very friendly. Of course, not only are the exchanges between the governments very friendly, but our exchanges with Chinese-funded enterprises are also very frequent. I also hope to see good development for China and the Congo in the private sector.

At present, there are thousands of projects urgently needed in Congo-Kinshasa. There is an ancient Chinese saying, "A journey of a thousand miles begins with a single step". The areas you just mentioned, such as finance, medicine, and hospitality, are very scarce in Congo-Kinshasa. As the head of state, I am obligated to provide support and to protect your investments. My door is open to you at any time, and you can choose whichever project you want, wherever you want. The next time you come here, I hope that you can visit some other places in our country.

We have been amazed by, even envious of, the development of China in the past 20-30 years. We hope to learn from the development of China. To achieve such development is not only the responsibility of the state, but also requires the accumulation of private capital.

In addition, I would like to ask you a question: Due to the economic crisis, the Chinese government is currently inclined to develop its domestic economy and stimulate domestic demand. Will this orientation affect your investment?

Chairman Wang Renguo: At present, the Chinese government supports enterprises investing overseas and also welcomes foreign-funded enterprises to develop in China. There are also many companies that have gone abroad to invest in Europe, America and Africa.

Before I came, I got in touch with the Chinese embassy and learnt that Congo-Kinshasa has a sound legal system and social credit system. They told me that the nation has a strong desire for development, and its social and cultural ideologies are similar to the traditional values of the Chinese people. That means that the country is a suitable place for Chinese companies to invest.

At present, the Chinese economy is facing the same downward pressure as the global economy. The Chinese government is focusing on a series of measures such as supply-side reforms and strengthening domestic infrastructure construction. This brings great hope to the Chinese economy. At the same time, the Chinese government encourages Chinese companies to go abroad and seek development. In line with the current economic environment, Taihe Group regards Congo-Kinshasa as a preferred country for investment in Africa.

Mr President: Very good. You still have three days. I hope that you and your team will be able to visit our magnificent Congo River, and I hope that you and your team can achieve good results.

BFGI Bank president Mr Francis talks to the President.



Francis: Regarding your most urgent needs at present, I already talked with Chairman Wang this morning. Now, I invite Chairman Wang to talk directly with you about this matter.

Chairman Wang Renguo: Francis had an in-depth conversation with me this morning about your urgent needs. Taihe Group will provide active support, and we will discuss the specific details with Kwanza Capital.

Mr President: No problem, I hope to establish long-term friendly cooperation with you, not just immediate interests. The establishment of a long-term relationship based on mutual trust takes time and needs a foundation. I believe we are on this road. It is a great pity that I am not a businessman. I am a politician and a soldier. But I believe that politics, military matters and business are the same in that we all need mutual trust and cooperation.

At the end of last year, I attended the Forum on China-Africa Cooperation summit in South Africa. The Chinese President made some commitments at the meeting and stated that he was prepared to invest 8-9 billion² to strengthen China-Africa cooperation. At present, our government is actively preparing a list of projects, and you may also take advantage of this momentum to select some suitable projects.

Chairman Wang Renguo: All right, thank you. We will give preference to the projects encouraged by the Chinese leaders at the Forum on China-Africa Cooperation summit.

Also attending the meeting were Taihe Group vice-chairwoman Ms Zhu Guangqiong, president of BFGI Bank, Mr Francis and his assistant Mr Moustapha.

² It is unclear from the context of the original Chinese-language text whether this figure refers to yuan or U.S. dollars. If the currency of reference were yuan, the equivalent value in U.S. dollars would be roughly \$1.3 billion to \$1.4 billion, according to the exchange rate at the time of the meeting outlined in the press release.



Annex III

Taihe Group Delegation Meeting with Central Bank of Congo Leadership

On March 17, 2016, Taihe Group Chairman Wang Renguo met with central bank leadership regarding the company's desire to invest in the banking, insurance, and securities sectors. The Sentry found an archived Chinese-language version of the press release¹ that reports that central bank officials told the Taihe Group delegation that the Central Bank of Congo would "wholeheartedly provide support and services to Taihe Group." Below are the translated contents of the Chinese-language press release.

President of Central Bank of Democratic Republic of the Congo, Taihe Group chairman, hold cordial talks

On the 17th of March 2016, at 14:30 local time, the president of the Central Bank of the Democratic Republic of the Congo, Mutombo, together with the heads of the supervisory, market analysis, and business departments, held cordial talks with the chairman of Taihe Group, Wang Renguo, and his party at the meeting rooms of the Central Bank.

Chairman Wang Renguo gave a detailed introduction of Taihe Group and its business scope to the guests in attendance. He then asked questions about the banking, insurance and securities industries in Congo-Kinshasa. The Central Bank president Mutombo gave a warm welcome to the arrival of Taihe Group. After an introduction on the macroeconomic data of Congo-Kinshasa and an overview of the banking industry, he answered Chairman Wang's questions. Mr Mutombo said the financial industry of Congo-Kinshasa has great potential and that Taihe Group's participation would inject fresh impetus into the sector. The Central Bank expressed anticipation at that and said it would wholeheartedly provide support and services to Taihe Group.

¹ The archived version is available at: <https://luzhou.house.qq.com/a/20160324/057802.htm>



ANNEX IV

Independent Expert Review Methodology and Findings

Overview

The Sentry asked independent experts in the field of illicit finance to review relevant information evaluated during the course of the investigation on Kwanza Capital. The Sentry used this review as one of many ways in which it conducted its own analysis of these same materials. To do so, The Sentry endeavored to establish a system of review that would limit the extent to which the expert reviewers were prejudiced. The specific methodology and results are included for the benefit of those interested in better understanding some of the red flags raised by the activities of Kwanza Capital and its affiliates.

Methodology

The Sentry identified independent experts for the review based on their having relevant professional experience on the subject of anti-money laundering and the technical expertise to conduct a thorough review. The Sentry intentionally sought expert reviewers who did not focus on Congo as part of their professional duties and who did not have in-depth knowledge of the country, thus limiting the likelihood that these persons would be biased in their review by prior knowledge of the subjects of the investigation. These individuals have not had and do not currently have a direct or indirect relationship with The Sentry as employees or contractors. Furthermore, these expert reviewers were not remunerated for their assistance. The experts reviewed transaction data and articles of incorporation for Kwanza Capital and Sud Oil. The Sentry instructed the expert reviewers not to do any external research on the subjects of the investigation or any other persons or entities identified in the materials they reviewed. The Sentry provided no additional context on the materials. The Sentry then met with the expert reviewers for an initial interview on their findings and The Sentry responded only to specific factual questions based on their initial review in a manner meant to avoid prejudicing subsequent evaluation. The Sentry held final formal interviews at a later date at which time the expert reviewers explained any additional findings, followed by a period during which The Sentry provided context on the results of the investigation that had not been previously disclosed to the reviewers. Findings in the text box in the body of the investigative report come from the period before The Sentry provided full context on the investigation's findings.

Findings

Without knowing any contextual details about the individuals and entities identified, all of the expert reviewers raised concerns about patterns of activity consistent with fraud and the compliance regime employed by the bank holding the accounts, BGFIBank DRC. They all identified what they perceived as red flags for potentially illicit financial activities with respect to Kwanza Capital and Sud Oil; specifically, transactions they believed related to the layering stage of money laundering. In most cases, the reviewers identified activity of which The Sentry was already aware through its own review of primary source materials and interviews. However, the reviewers also made a number of observations about these activities that enhanced The Sentry's own assessments and reporting. The most relevant components of the expert reviewers' findings are summarized below.



- **Suspicious accounting practices:** all of the experts referred to the accounting practices in the banking documents as raising significant red flags. Most notably, they identified vague explanations for transfers, the absence of information on the senders and recipients of multimillion-dollar transactions, and potential manipulation of the effective date of certain transactions to avoid a negative balance in the accounts. In one specific example, a reviewer noted that Kwanza Capital made a \$5 million, three-to-six-month term deposit at BGFIBank DRC, but its account was not debited by that amount until almost a month after BGFIBank DRC recorded the deposit. The reviewer highlighted that BGFIBank DRC repaid the original deposit plus interest even though the deposit had only been held by BGFIBank DRC for two months.
- **Potential market fraud:** one reviewer with extensive experience in money laundering risk connected to financial markets noted large, vaguely annotated operations identified as “swap” in Sud Oil and Kwanza Capital accounts. The reviewer concluded that these transactions raised a red flag for the use of over-the-counter securities trading for the purposes of money laundering,¹ with a roughly \$30 million swap executed by Sud Oil being particularly noteworthy. The reviewer added that over-the-counter financial instruments are particularly effective as tools for money laundering because they occur in a regulatory “dark space” that spans borders and because they are often not well understood.
- **Intermingling affairs:** all the reviewers noted the extent to which Kwanza Capital’s and Sud Oil’s accounts suggested the intermingling of personal and business affairs. For example, the reviewers noted the frequency with which shareholders and management figures withdrew large amounts of money from both companies’ accounts. The reviewers noted that if such withdrawals had been for business purposes, they would ordinarily have been made by businesses rather than individuals. They also highlighted rent payments Kwanza Capital made to Aneth Lutale, wife of Francis Selemani Mtwale.
- **Confusing loan activity:** the reviewers found loans Kwanza Capital received and gave to other entities to raise additional red flags. All the reviewers noted the fact that Kwanza Capital missed loan payments, leading the bank to levy penalties against it. The reviewers also found the manner in which Kwanza Capital structured apparent loans to SCTP to raise red flags.
- **Mirroring transactions:** the reviewers all noted that money repeatedly cycled in and out of Kwanza Capital’s and Sud Oil’s accounts in recurring large, often round dollar amounts. That is, they identified certain transactions in recurring amounts, such as \$5 million, where debits for that amount were replaced by a credit of the exact or almost identical amount a short time later. Similarly, they noted other transactions where large amounts cycled in and out of Kwanza Capital’s and Sud Oil’s accounts even if the amounts were not identical.
- **Unclear business purpose:** all of the reviewers raised red flags about Kwanza Capital and Sud Oil as a result of their overall commercial rationale and the specific commercial underpinning for

¹ Over-the-counter, or OTC, trades are contracts for securities that are often conducted between two private parties rather than being executed over a formal exchange. This form of securities trading is generally less regulated than other financial markets.



many large transactions they made. The reviewers enumerated a range of red flags concerning the commercial basis for both companies, including the fact that it made little sense for an ostensible oil and gas firm to back an investment bank, Sud Oil's low level of share capital in a capital intensive industry, Kwanza Capital's lack of an identifiable revenue source, and the collocation of these businesses.

Reaction to Additional Context

After concluding discussions with the independent expert reviewers on their findings, The Sentry presented them with additional context and details about the investigation that had been intentionally withheld. None of the experts expressed surprise that the primary individuals who benefited from, controlled, and owned the main entities discussed in this report were politically exposed persons. Nor were the experts surprised by the overlap between BGFIBank DRC and Kwanza Capital.



Endnotes

- ¹ The Sentry calculated this figure using 2015 values for the banks' total assets since that was the final year during which reliable figures were available for two of the banks targeted for acquisition.
- ² The Sentry, "The Terrorists' Treasury," (October 2017), available at: https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury_TheSentry_October20.17_final.pdf; Sasha Lezhnev, "A Criminal State: Understanding and Countering Institutionalized Corruption and Violence in the Democratic Republic of Congo" (Enough Project, October 2016) available at: https://enoughproject.org/files/A_Criminal_State_Enough_Oct2016_web.pdf.
- ³ Congo Research Group and Pulitzer Center on Crisis Reporting, "All the President's Wealth: The Kabila Family Business" (July 2017), available at: <https://allthewealth.congoresearchgroup.org/dist/assets/all-the-presidents-wealth-ENG.pdf>.
- ⁴ Financial Action Task Force, "Laundering the Proceeds of Corruption" (July 2011), available at: <http://www.fatf-gafi.org/media/fatf/documents/reports/Laundering%20the%20Proceeds%20of%20Corruption.pdf>.
- ⁵ Financial Action Task Force, "Laundering the Proceeds of Corruption" (July 2011), available at: <http://www.fatf-gafi.org/media/fatf/documents/reports/Laundering%20the%20Proceeds%20of%20Corruption.pdf>.
- ⁶ Financial Action Task Force, "Laundering the Proceeds of Corruption" (July 2011), available at: <http://www.fatf-gafi.org/media/fatf/documents/reports/Laundering%20the%20Proceeds%20of%20Corruption.pdf>.
- ⁷ Financial Action Task Force, "Glossary" (accessed March 6, 2019), available at: <http://www.fatf-gafi.org/glossary/>
- ⁸ The Sentry, "A Window for Kleptocrats" (August 2018), available at: <https://thesentry.org/reports/a-window-for-kleptocrats/>.
- ⁹ Deloitte, "Etude sur le secteur bancaire en République Démocratique du Congo (2015-2016)" (December 2017), available at: <https://www2.deloitte.com/cd/fr.html>.
- ¹⁰ In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that the bank takes compliance matters "very seriously" and that it has made "continuous improvements in these areas, consistent with both its legal obligations and with industry best practices." According to these bank representatives, BGFIBank DRC has acquired new technology and systems to strengthen its compliance functions, as well as hiring an external director to manage these functions within an independent "directorate." In addition, BGFIBank DRC reported that it has undergone significant changes in personnel and leadership over the last year.
- ¹¹ According to articles of incorporation for Kwanza Capital acquired by The Sentry.
- ¹² According to the BCDC annual report for 2015, Pascal Kinduelo founded Banque Internationale de Crédit in 1992. Banque Commerciale du Congo, "Rapport Annuel 2015" (May 2016), available at: https://www.bcdc.cd/wp-content/uploads/2019/01/Rapport_annuel_2015_BCDC.pdf; FBNBank, "Historique" (accessed February 25, 2019), available at: <http://fbnbankrdc.com/fbnbank/index.php/2014-12-22-20-06-31/a-propos-de-fbnbank-22>; U.S. Department of the Treasury, "United States Sanctions Human Rights Abusers and Corrupt Actors Across the Globe" (December 21, 2017), available at: <https://home.treasury.gov/news/press-releases/sm0243>; U.S. Department of the Treasury, "Treasury Sanctions Fourteen Entities Affiliated with Corrupt Businessman Dan Gertler Under Global Magnitsky" (June 15, 2018), available at: <https://home.treasury.gov/news/press-releases/sm0417>.
- ¹³ Federation des Entreprises du Congo, "Annuaire 2010-2011" (accessed February 25, 2019), available at: <http://www.fec-rdc.com/index.php/nos-publications/category/6-annuaire?download=18:annuaire-fec-2010-2011>; Federation des Entreprises du Congo, "Nos commissions nationales et comités professionnels" (accessed February 25, 2019), available at: <http://www.fec-rdc.com/index.php/notre-federation/nos-commissions-nationales-et-comites-professionnels>.
- ¹⁴ As of early 2019, Kinduelo was listed on the main page of the BCDC website as the chairman of the board. Banque Commerciale du Congo, "Good Governance" (accessed February 25, 2019), available at: <https://www.bcdc.cd/en/bonne-gouvernance-en/>; Agence d'Information d'Afrique Centrale, "Banque : une ancienne de Harvard à la tête de la BGFI RDC" (November 24, 2018), available at: <http://www.adiac-congo.com/content/banque-une-ancienne-de-harvard-la-tete-de-la-bgfi-rdc-92059>.



¹⁵ In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that, as of November 2018, Pascal Kinduelo ceased to serve as the chairman of the bank's board of directors or in any other role at the bank or at its parent company; Groupe BGFIBank, "The emergence of a Leader in the banking and specialized finance trades" (accessed May 23, 2018), available at: <http://groupebgfibank.com/en/histoire/lemergence-dun-leader-metiers-de-banque-de-finance-specialisee/>; Groupe BGFIBank, "Rapport Annuel 2016" (May 2017), available at: <https://groupebgfibank.com/download/10704/>; Agence d'Information d'Afrique Centrale, "Banque : une ancienne de Harvard à la tête de la BGFI RDC" (November 24, 2018), available at: <http://www.adiac-congo.com/content/banque-une-ancienne-de-harvard-la-tete-de-la-bgfi-rdc-92059>; The Sentry, "The Terrorists' Treasury" (October 2017), available at: https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury_TheSentry_October2017_final.pdf; Michael Kavanagh, Thomas Wilson, and Franz Wild, "With His Family's Fortune at Stake, President Kabila Digs In" (Bloomberg, December 15, 2016), available at: <https://www.bloomberg.com/news/features/2016-12-15/with-his-family-fortune-at-stake-congo-president-kabila-digs-in>.

¹⁶ Banque Commerciale du Congo, "Rapport Annuel 2015" (May 2016), available at: https://www.bcdc.cd/wp-content/uploads/2019/01/Rapport_annuel_2015_BCDC.pdf.

¹⁷ Banque Commerciale du Congo, "Rapport Annuel 2015" (May 2016), available at: https://www.bcdc.cd/wp-content/uploads/2019/01/Rapport_annuel_2015_BCDC.pdf; Groupe BGFIBank, "Rapport Annuel 2015" (April 2016), available at: <https://groupebgfibank.com/download/608/>.

¹⁸ Jeune Afrique, "RD Congo : Sud Oil, la compagnie mystère qui reçoit 7,5 millions de dollars de la banque centrale" (May 7, 2018), available at: <https://www.jeuneafrique.com/mag/553267/politique/rd-congo-sud-oil-la-compagnie-mystere-qui-recoit-75-millions-de-dollars-de-la-banque-centrale/>; International Crisis Group, "Black Gold in the Congo: Threat to Stability or Development Opportunity?" (July 11, 2012), available at: <https://www.crisisgroup.org/africa/central-africa/democratic-republic-congo/black-gold-congo-threat-stability-or-development-opportunity>; Kristof Titeca and Patrick Edmond, "The political economy of oil in the Democratic Republic of Congo (DRC): Corruption and regime control" (The Extractive Industries and Society, January 2019), available at: <https://doi.org/10.1016/j.exis.2018.12.003>.

¹⁹ International Crisis Group, "Black Gold in the Congo: Threat to Stability or Development Opportunity?" (July 11, 2012), available at: <https://www.crisisgroup.org/africa/central-africa/democratic-republic-congo/black-gold-congo-threat-stability-or-development-opportunity>.

²⁰ Jeune Afrique, "RD Congo : Sud Oil, la compagnie mystère qui reçoit 7,5 millions de dollars de la banque centrale" (May 7, 2018), available at: <https://www.jeuneafrique.com/mag/553267/politique/rd-congo-sud-oil-la-compagnie-mystere-qui-recoit-75-millions-de-dollars-de-la-banque-centrale/>.

²¹ Journal Officiel, "Sud Oil SARL, Procès-verbal de l'Assemblée générale ordinaire (20 March 2014)" and "Procès-verbal de l'Assemblée générale extraordinaire (28 March 2014)" (November 1, 2015).

²² In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that, as of November 2018, Selemani ceased to serve in any role at the bank or at its parent company; Pierre Boisselet, "RDC : petits arrangements entre amis dans le clan Kabila" (Jeune Afrique, May 7, 2018), available at: <https://www.jeuneafrique.com/mag/553244/politique/rd-congo-petits-arrangements-entre-amis-dans-le-clan-kabila/>; Groupe BGFIBank Group, "Rapport Annuel 2013" (May 2014), available at: <https://groupebgfibank.com/download/760/>; According to the Congo Research Group and the Pulitzer Center on Crisis Reporting report "All the President's Wealth: The Kabila Family Business," "Selemani became an adopted son after his father, one of Laurent-Désiré's rebel comrades, was killed."

²³ In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that, as of August 2018, Massudi ceased to serve in any role at the bank or at its parent company. In response to questions posed by The Sentry, Mr. Massudi stated that "I did not perform any work relating to Kwanza Capital" and "I have no relationship with Kwanza Capital." Further, in response to questions posed by The Sentry, Mr. Massudi indicated that "my title did not involve the daily relationship management of clients." Mr. Massudi added, "As Commercial Director, my duties did not involve overseeing or managing clients' accounts held at the bank. According to the bank's procedures, clients' accounts are handled and administered by Relationship Officers. In that respect, I did not oversee the administration of Kwanza Capital's accounts." Mr. Massudi did state that he had visited Kwanza Capital's headquarters because "[i]n my capacity of Commercial Director, I was expected to occasionally accompany Relationship Officers [to] visit clients they managed at their premises/headquarters to reinforce clients awareness and relationship with the bank." In response to



questions concerning his listed status as "gestionnaire," or manager, in relation to Kwanza Capital's accounts and lines of credit at BGFIBank DRC, Mr. Massudi said the "gestionnaire" designation "can only be referred to client's relationship management." In that respect, he added that he was not "gestionnaire" of Kwanza Capital's account at the bank. Finally, Mr. Massudi provided details on the bank's policies regarding signatories on "correspondences/letters related to clients' accounts" and the fact that "the bank's policies provided that any Director, except those of Audit and Internal Control, be one of the two signatories between the bank and its clientele." However, the "correspondences/letters" described by Mr. Massudi are not reflective of the type of internal documentation reviewed by The Sentry wherein Mr. Massudi was listed as a "gestionnaire" with respect to Kwanza Capital's accounts and lines of credit at BGFIBank DRC.

²⁴ Groupe BGFIBank, "Rapport Annuel 2011" (April 2012), available at: <https://groupebgfibank.com/download/776/>; Jeune Afrique, "RDC : Francis Selemani Mtwale, proche de Joseph Kabila, quitte la direction générale de BGFIBank au Congo" (May 5, 2018), available at: <https://www.jeuneafrique.com/557792/economie/rdc-francis-seleman-mtwale-proche-de-joseph-kabila-quitte-la-direction-generale-de-bgfibank-au-congo/>.

²⁵ Jeffrey Gettleman, "As President Joseph Kabila Digs In, Tensions Rise in Congo" (New York Times, December 17, 2016), available at: <https://www.nytimes.com/2016/12/17/world/africa/congo-joseph-kabila-corruption.html>; PPLAAF, "The Lumumba Papers" (accessed February 25, 2019), available at: <http://lumumbapapers.info/>; The Sentry, "The Terrorists' Treasury" (October 2017), available at: https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury_TheSentry_October2017_final.pdf.

²⁶ Gloria Mteyu may have sold or divested herself of those shares. In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that the bank's parent company, BGFI Holding Corporation S.A., currently owns 100% of the bank's shares. Bank representatives did not indicate the timing or circumstances of Mteyu's reported sale or divestiture of those shares. Mteyu is listed as a 40 percent shareholder in the PwC (PricewaterhouseCoopers) audits of BGFIBank DRC from March 17, 2011 and December 31, 2015 that were viewed by The Sentry. She denied holding shares in BGFIBank DRC in response to a Bloomberg article in November 2016. "Mteyu, reached by mobile phone on Oct. 18, said she holds an account at the bank but has no financial stake in it." Franz Wild, Michael Kavanagh, and Thomas Wilson, "Congo Election Body Said to Pay Millions to Kabila-Tied Bank" (Bloomberg, November 1, 2016), available at <https://www.bloomberg.com/news/articles/2016-11-01/congo-election-bodysaid-to-pay-millions-to-kabila-linked-bank>; In the 2017 report "All the President's Wealth," the Congo Research Group and Pulitzer Center on Crisis Reporting claim, "BGFI is a Gabonese bank group whose Congolese arm is 40% owned by President Kabila's sister, Gloria Mteyu..."

²⁷ Groupe BGFIBank, "Rapport Annuel 2017" (July 2018), available at: <https://groupebgfibank.com/download/32758/>; Agence d'Information d'Afrique Centrale, "Banque : une ancienne de Harvard à la tête de la BGFI RDC" (November 24, 2018), available at: <http://www.adiac-congo.com/content/banque-une-ancienne-de-harvard-la-tete-de-la-bgfi-rdc-92059>.

²⁸ In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that, as of August 2018, Diop ceased to serve in any role at the bank or at its parent company.

²⁹ In response to questions posed by The Sentry, BGFIBank DRC representatives did not provide comment on a question seeking additional details on any meetings BGFIBank DRC managers had at the bank's headquarters in relation to Kwanza Capital's operations; Jeune Afrique, "RDC : Francis Selemani Mtwale, proche de Joseph Kabila, quitte la direction générale de BGFIBank au Congo" (May 5, 2018), available at: <https://www.jeuneafrique.com/557792/economie/rdc-francis-seleman-mtwale-proche-de-joseph-kabila-quitte-la-direction-generale-de-bgfibank-au-congo/>.

³⁰ In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that, as of November 2018, Kasongo ceased to serve in any role at the bank or at its parent company. In addition, in response to questions posed by The Sentry, Mr. Kasongo indicated he served on the board of BGFIBank DRC from 2014-18. Agence d'Information d'Afrique Centrale, "Banque : une ancienne de Harvard à la tête de la BGFI RDC" (November 24, 2018), available at: <http://www.adiac-congo.com/content/banque-une-ancienne-de-harvard-la-tete-de-la-bgfi-rdc-92059>; Africa Intelligence, "Les mines au cœur des réseaux ethniques" (July 26, 2013), available at: <https://www.africaintelligence.fr/AIF/insiders/congo-k/2013/07/26/les-mines-au-cœur-des-reseaux-ethniques/107971067-BE3>.



³¹ The Sentry posed questions to BGFIBank DRC representatives concerning loans made to Kwanza Capital by the bank and the bank's processes for determining the worthiness of certain companies to receive loans, as well as measures taken by the bank to ensure that the provision of loans would not constitute any conflicts of interest. In response to these questions, BGFIBank DRC representatives indicated that they were unable to provide information on certain questions "due to confidentiality considerations," but reported on a range of measures taken to improve its AML and know-your-customer ("KYC") requirements and overhaul its personnel and leadership.

³² The occurrence of penalties for loan non-repayment on firms connected to politically exposed persons in banking data reviewed by The Sentry raises red flags about whether such payments may have been a method to launder the proceeds of corruption through BGFIBank DRC.

³³ Banque Centrale du Congo, "Rapport Annuel 2016" (November 7, 2017), available at: http://www.bcc.cd/downloads/pub/rapann/rapport_annuel_2016.pdf.

³⁴ Societe Financiere de Developpement, "Capital Social et Actionnariat" (accessed February 25, 2019), available at: <http://www.sofide-cd.com/actionnaires.html>; Journal Officiel, "Décret n° 09/64 du 03 décembre 2009 fixant les statuts d'un établissement public dénommé 'Fonds de Promotion de l'Industrie', en sigle 'F.P.I.'" (June 15, 2010), available at: <https://www.leganet.cd/Legislation/JO/2010/JO.15.06.2010.12.rnc.pdf>; According to an archived version of the Central Bank of Congo website at <http://microfinance.bcc.cd/fnm/> from January 2018, "Le Fonds National de la Microfinance, FNM en sigle, est un établissement public crée par le Décret n° 011/11 du 14 mars 2011 et agréé par la Banque Centrale du Congo comme Institution Financière Spécialisée. Sa vision est de promouvoir l'intégration d'un grand nombre des populations vulnérables, en milieux rural et urbain, dans le système financier de la RDC à travers l'offre de services financiers et non financiers adaptés. Elle a une double mission qui est de (i) contribuer à l'autonomisation des populations économiquement vulnérables exclues du système financier et (ii) améliorer la qualité opérationnelle et financière des institutions financières de proximité (IFP) sur toute l'étendue du territoire national."; FPM, "Actionnaires et gouvernance" (accessed February 25, 2019), available at: <http://fpm.cd/actionnaires/>; FPM, "Bailleurs de fonds et gouvernance" (accessed February 25, 2019), available at: <http://fpm.cd/bailleurs-de-fonds/>.

³⁵ Journal Officiel, "Loi n°02-03 du 2 fevrier 2002 relative a l'activite et au controle des etablissements de credit" (May 2002), available at: <http://www.leganet.cd/Legislation/Droit%20economique/Banques/loi.003.02.02.2002.pdf>.

³⁶ Societe Financiere de Developpement, "Mission & Objectifs de Sofide S.A.R.L." (accessed February 25, 2019), available at: <http://www.sofide-cd.com/mission.html>; The Sentry notes that while the other specialized financial institutions have socially oriented missions, Le Monde in 2017 reported on a multi-million dollar misappropriation scheme involving one of these institutions: the Industrial Promotion Fund or Fonds pour la Promotion de l'Industrie (FPI). See Joan Tilouine and Xavier Monnier, "En RDC, l'industrialisation freinée par la corruption" (Le Monde, February 13, 2017), available at: https://www.lemonde.fr/afrique/article/2017/02/13/en-rdc-l-industrialisation-freinee-par-la-corruption_5078790_3212.html.

³⁷ As noted elsewhere in this report, BGFIBank DRC representatives provided information in response to questions posed by The Sentry concerning the tenure of certain individuals linked to the Kabila family and other elites. In response to questions posed by The Sentry, BGFIBank DRC representatives indicated that as of late 2018, Pascal Kinduelo, Selemani, Massudi, Victor Kasongo, and Abdel Kader Diop ceased to serve in any role at the bank or at its parent company; The Sentry, "The Terrorists' Treasury" (October 2017), available at: https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury_TheSentry_October2017_final.pdf; Michael Kavanagh, Thomas Wilson, and Franz Wild, "With His Family's Fortune at Stake, President Kabila Digs In" (Bloomberg, December 15, 2016), available at: <https://www.bloomberg.com/news/features/2016-12-15/with-his-family-fortune-at-stake-congo-president-kabila-digs-in>; PPLAAF, "The Lumumba Papers" (accessed February 25, 2019), available at: <http://lumumbapapers.info/>.

³⁸ Radio Okapi, "Classement Forbes: George Forrest, deuxième fortune d'Afrique francophone subsaharienne" (December 5, 2016), available at: <https://www.radiookapi.net/2016/12/05/actualite/economie/classement-forbes-george-forrest-deuxieme-fortune-dafrique-francophone>.

³⁹ Banque Commerciale du Congo, "Correspondants" (accessed on September 22, 2018), available at: <https://www.bcdc.cd/fr/la-banque/correspondants/>; Banque Commerciale du Congo, "Correspondants bancaires" (archived May 28, 2016 and accessed September 22, 2018), available from www.archive.org at:



www.bcdc.cd:80/fr/les-reseaux/correspondants-bancaires; Bourse de Bruxelles, “BCDC” (accessed on April 1, 2019), available at: <https://www.bourse.be/products/equities/CG000A0BKQF7-VPXB>.

⁴⁰ Banque Commerciale du Congo, “Rapport Annuel 2015” (May 2016), available at: https://www.bcdc.cd/wp-content/uploads/2019/01/Rapport_annuel_2015_BCDC.pdf. See also endnote 15.

⁴¹ Banque Commerciale du Congo, “Rapport Annuel 2015” (May 2016), available at: https://www.bcdc.cd/wp-content/uploads/2019/01/Rapport_annuel_2015_BCDC.pdf.

⁴² Federation des Entreprises du Congo, “Statuts Revises et Coordonnees” (March 2011), available at: <http://www.fec-rdc.com/index.php/notre-federation/telecharger-nos-statuts>; Radio Okapi, “RDC : le climat des affaires ne favorise pas l'investissement, selon la FEC” (January 27, 2018), available at: <https://www.radiookapi.net/2018/01/27/actualite/economie/rdc-le-climat-des-affaires-ne-favorise-pas-linvestissement-selon-la>; Federation des Entreprises du Congo, “La Lettre” (April 2014), available at: <http://www.fec-rdc.com/index.php/nos-publications/category/5-magazine?download=7:magazine-dinformation-la-lettre-3>; African Development Bank, “Participants Bio AEC 2015” (2015), available at: https://www.afdb.org/fileadmin/uploads/afdb/Documents/Generic-Documents/AEC_2015_-_Participants_bios_.pdf; Federation des Entreprises du Congo, “ETAT DES LIEUX DE L'ECONOMIE CONGOLAISE” (March 2007), available at: <http://www.fec-rdc.com/index.php/nos-publications/category/2-publications?download=12:etat-des-lieux-de-leconomie-congolaise-mars-2007>; Banque Central du Congo, “Rapport Annuel 2007” (May 23, 2009), available at: http://www.bcc.cd/downloads/pub/rapann/rapport_2007.pdf; Banque Central du Congo, “Rapport Annuel 2009” (November 8, 2010), available at: http://www.bcc.cd/downloads/pub/rapann/Rapport_an_2009.pdf; Cecile Manciaux, “RDC : Albert Yuma Mulimbi, le sauveur de la Gécamines” (Jeune Afrique, June 11, 2012), available at: <https://www.jeuneafrique.com/141278/economie/rdc-albert-yuma-mulimbi-le-sauveteur-de-la-g-camines/>.

⁴³ Banque Commerciale du Congo, “Rapport Annuel 2015” (May 2016), available at: https://www.bcdc.cd/wp-content/uploads/2019/01/Rapport_annuel_2015_BCDC.pdf. See also endnote 30. In response to questions posed by The Sentry, Mr. Kasongo confirmed he served on the boards of BCDC, BGFIBank DRC, and Kwanza Capital. Mr. Kasongo indicated his board service for BGFIBank DRC lasted from 2014–18, and for “about 8 months in 2015-16” for Kwanza Capital. He stated that he no longer has ties to these institutions. Mr. Kasongo also stated that “everything [he] did was legal” and focused on protecting the institutions, and he indicated that the boards deliberated in a professional manner.” Finally, Mr. Kasongo noted that he was constrained in his ability to talk about internal “board deliberations” because of concerns about “prejudice to the commercial institutions.” The Sentry notes that, according to corporate records it reviewed, a relevant excerpt of which is included in the body of the report, Mr. Kasongo was listed as a member of Kwanza Capital's board of directors on a document dated July 2014 that pertained to board constitution decisions made in late June 2014.

⁴⁴ In late 2015, Kwanza Capital established Kwanza Finance SARLU, a wholly-owned subsidiary that appeared to function like a trading arm. According to sources with knowledge of the deal, the sale would have been executed through Kwanza Finance SARLU. In 2016, as the deal was in negotiation, Quantum Global also formally relocated its private equity arm to Mauritius under the name QG Investments Africa Management Ltd.

⁴⁵ Quantum Global Group, “Quantum Global's Founder and Group Chairman meets with DRC's President, Minister of Health and Head of Federation des Enterprises to discuss the country's investment potential” (April 5, 2017), available at: <https://quantumglobalgroup.com/article/quantum-globals-ceo-meets-with-drcs-president-minister-of-health-and-head-of-federation-des-enterprises-to-discuss-the-countrys-investment-potential/>.

⁴⁶ International Consortium of Investigative Journalists, “Leaks reveal extensive siphoning of \$5bn Angolan sovereign wealth fund” (April 23, 2018), available at: <https://panamapapers.investigativecenters.org/angola/>; Kamlesh Bhuckory, “Mauritius Suspends Quantum Funds After Angola Official Visit” (Bloomberg, April 9, 2018), available at: <https://www.bloomberg.com/news/articles/2018-04-09/suspended-mauritian-funds-said-to-be-linked-to-angolan-founder>; Will Fitzgibbon, “Angolan Tycoon's Frozen Funds Highlight KPMG's Role in Offshore Secrecy,” International Consortium of Investigative Journalists, May 3, 2018, available at: <https://www.icij.org/investigations/paradise-papers/angolan-tycoons-frozen-funds-highlight-kpmgs-role-in-offshore-secrecy/>.

⁴⁷ Anna Meisel, “Angola's Jose Filomeno dos Santos detained over ‘fraud’” (BBC, September 25, 2018), available at: <https://www.bbc.com/news/world-africa-45640818>; Jornal de Angola, “Jean-Claude Bastos constituído arguido” (May 29, 2018), available at: http://jornaldeangola.sapo.ao/politica/jean-claude_bastos__constituído_arguido.



- ⁴⁸ Jean Paul Arouff, "Mauritius freezes funds linked to Angola's sovereign wealth fund" (Reuters, April 11, 2018), available at: <https://www.reuters.com/article/angola-corruption-mauritius/mauritius-freezes-funds-linked-to-angolas-sovereign-wealth-fund-idUSL8N1RO39C>.
- ⁴⁹ Candido Mendes and Henrique Almeida, "Angola Arrests Ex-President's Son Over \$500 Million Transfer" (Bloomberg, September 24, 2018), available at: <https://www.bloomberg.com/news/articles/2018-09-24/angola-arrests-ex-president-s-son-jose-filomeno-novo-jornal>; David Pegg, "Head of Angola's wealth fund fired after Paradise Papers revelations" (The Guardian, January 11, 2018), available at: <https://www.theguardian.com/news/2018/jan/11/head-angola-wealth-fund-fired-paradise-papers-revelations>.
- ⁵⁰ Anna Meisel, "Angola's Jose Filomeno dos Santos detained over 'fraud'" (BBC, September 25, 2018), available at: <https://www.bbc.com/news/world-africa-45640818>; Candido Mendes and Henrique Almeida, "Angola Arrests Ex-President's Son Over \$500 Million Transfer" (Bloomberg, September 25, 2018), available at: <https://www.bloomberg.com/news/articles/2018-09-24/angola-arrests-ex-president-s-son-jose-filomeno-novo-jornal>
- ⁵¹ Candido Mendes, "Angola Says It Recovers \$3.35 Billion of Assets From Quantum" (Bloomberg, March 23, 2019), available at: <https://www.bloomberg.com/news/articles/2019-03-23/angola-says-it-recovers-3-35-billion-of-assets-from-quantum>; Quantum Global Group, "Mr Bastos Released from Detention and No Charges Were Filed" (March 22, 2019), available at: <http://quantumglobalgroup.com/article/quantum-global-jean-claude-bastos-de-morais-reach-amicable-resolution-disputes-fundo-soberano-de-angola/>.
- ⁵² BBC Afrique, "Le fils de Dos Santos libéré de prison en Angola" (March 25, 2019), available at: <https://www.bbc.com/afrique/region-47692938>.
- ⁵³ In response to questions posed by The Sentry, a spokesperson for Orrick confirmed that Mr. Agboyibor began his service on the firm's board in February 2014 and he was terminated from the firm on March 8, 2019.
- ⁵⁴ Orrick, "Pascal Agboyibor" (June 2, 2017), available at: <https://web.archive.org/web/20170602145219/https://www.orrick.com/people/7/e/3/pascal-agboyibor>; Gaëlle Arenson, "RDC: la Gécamines réaffirme son droit de preemption sur Tenke suite à l'annonce de Lundin" (Jeune Afrique, November 16, 2016), available at: <https://www.jeuneafrique.com/374778/economie/gecamines-reaffirme-droit-de-preemption-tenke-suite-a-lannonce-de-lundin/>; Jeune Afrique, "L'avocat Pascal Agboyibor rejoint le conseil d'administration d'Orrick" (February 20, 2014), available at: <https://www.jeuneafrique.com/12336/economie/l-avocat-pascal-agboyibor-rejoint-le-conseil-d-administration-d-orrick/>; Frédéric Maury, "Classement: les 50 avocats d'affaires qui ont marqué l'année 2016" (Jeune Afrique, February 14, 2017), available at: <https://www.jeuneafrique.com/mag/400473/economie/classement-50-avocats-daffaires-ont-marque-lannee-2016/>; Michael Skapinker, "Winner and candidates: Legal Innovator of the Year award (2014)" (Financial Times, October 8, 2014), available at: <https://www.ft.com/content/b14f5b50-4dbb-11e4-9683-00144feab7de>
- ⁵⁵ Journal Officiel, "Actes de sociétés et du groupement d'intérêts économiques, Sud Oil SARL statuts, Actes de sociétés et du groupement d'intérêts économiques, Sud Oil SPRL Procès-verbal de l'Assemblée générale ordinaire du 20 mars 2014" (November 1, 2015); Journal Officiel, "Actes de sociétés et du groupement d'intérêts économiques, Sud Oil SPRL Procès-verbal de l'Assemblée générale ordinaire du 28 mars 2014" (November 1, 2015).
- ⁵⁶ Christian Brönnimann, "Wie ein Schweizer von Angolas Milliarden profitiert" (Tages Anzeiger, November 5, 2017), available at: <https://interaktiv.tagesanzeiger.ch/2017/paradise-papers/angola-bastos/>; Christian Brönnimann and Tobias Zick, "Power to the (Rich) People" (Süddeutsche Zeitung Zeitung, November 15, 2017), available at: <https://projekte.sueddeutsche.de/paradisepapers/politik/where-does-angola-s-oil-wealth-end-up-e655516/>.
- ⁵⁷ Reuters, "Angola names president's son to chair \$5 bln sovereign wealth fund" (June 21, 2013), available at: <https://www.reuters.com/article/angola-fund/angola-names-presidents-son-to-chair-5-bln-sovereign-wealth-fund-idUSL5N0EX29020130621>; Patrick McGroarty, "Angola Wealth Fund Is Family Affair" (Wall Street Journal, February 26, 2013), available at: <https://www.wsj.com/articles/SB10001424127887323864304578318683374319560>.
- ⁵⁸ Ristel Tchouand, "Crise BIAC: « Une affaire de politique et d'ego »" (La Tribune, November 17, 2016), available at: <https://afrique.latribune.fr/les-exclusifs/en-off/2016-11-17/crise-biac-une-affaire-de-politique-et-d-ego.html>.
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⁶³ Xavier Monnier, “RDC : pourquoi la Banque internationale pour l’Afrique du Congo a frôlé la faillite” (Le Monde, July 29, 2016), available at: https://www.lemonde.fr/afrique/article/2016/07/29/rdc-pourquoi-la-banque-internationale-pour-l-afrique-du-congo-a-frole-la-faillite_4976150_3212.html; RFI, “RDC: l’ancienne direction de la Biac se défend de toute malversation” (June 9, 2016), available at: <http://www.rfi.fr/afrique/20160609-rdc-biac-ancienne-direction-defend-toute-malversation-losembe>; Frédéric Maury, “RD Congo – Affaire Biac : la Banque centrale porte plainte” (Jeune Afrique, June 6, 2016), available at: <https://www.jeuneafrique.com/331252/economie/affaire-biac-banque-centrale-porte-plainte/>.

⁶⁴ Radio Okapi, “RD Congo : une banque kényane candidate à la reprise de la Biac, affirme Bloomberg -Jeune Afrique” (July 27, 2016), available at: <https://www.radiookapi.net/lu-sur-le-web/rd-congo-une-banque-kenyane-candidate-la-reprise-de-la-biac-affirme-bloomberg-jeune>.

⁶⁵ Politico.cd, “La China Taihe Bank évoquée par le gouverneur de la BCC pour reprendre la BIAC n'existe pas!” (December 26, 2016), available at: <https://www.politico.cd/encontinu/2016/12/23/china-taihe-bank-evoquee-gouverneur-de-bcc-reprendre-biac-nexiste.html>; A November 2016 press release on the website of Taihe Group, available at http://www.taihe-group.cn/Company_dynamics/122.html, indicates that the central bank approved China Taihe Bank of Congo to acquire BIAC; Olivier Kaforo, “Congo-Kinshasa: Reprise de la BIAC - La China Taihe Bank of Congo parmi les favoris” (Le Potentiel, November 8, 2016), available at: <https://fr.allafrica.com/stories/201611080875.html>.

⁶⁶ The Sentry arrived at this number based on information contained in Taihe Group press releases indicating three visits in 2015 and two meetings in 2016. In response to questions posed by The Sentry, Mr. Massudi stated that “I had attended meetings with leadership of Taihe Group in 2015 in China in relation to correspondent [sic] banking solutions and services for BGFIBank RDC to serve its growing clientele transacting with their Chinese business suppliers executed in Yuan currency.” With respect to a question posed by The Sentry regarding the March 16, 2016 meeting between then-President Joseph Kabila and Taihe Group Chairman Wang Renguo, Mr. Massudi said that he “did not attend such a meeting.” With respect to a question posed by The Sentry regarding the March 17, 2016 meeting between Central Bank of Congo leadership and a Taihe Group delegation, Mr. Massudi said that “As Commercial Director of BGFIBank RDC, I participated in a meeting at the Central Bank when the Taihe Group chairman came to the DRC, under the invitation of BGFIBank RDC, to pursue talks launched relating to BGFIBank’s quest for correspondent banking solutions in China to facilitate the bank’s growing clientele transactions with Chinese partners (mainly suppliers) conducted in Yuan currency. The correspondent [sic] banking relationship was sought through Taihe Group’s banking entity Dazhou City Commercial Bank based in Sichuan province. In its due diligence process as part of BGFIBank’s correspondent banking account application, Taihe Group had made a request to meet the regulatory body to discuss Congolese regulatory policies to ensure compliance with Chinese regulated [sic] body.” In response to questions posed by The Sentry, Mr. Massudi specified that none of the aforementioned meetings with Taihe Group officials he claimed to have attended “ever concerned BIAC” and that “[t]o the best of my knowledge, neither Kwanza Capital nor BIAC were among topics discussed.” In follow-up correspondence regarding the meetings, Mr. Massudi said that “BGFIBank had officially invited Taihe Group solely for talks related to correspondent banking services BGFIBank sought from Taihe Group’s banking entity Dazhou City Commercial Bank to facilitate transactions



(Yuan currency) executed by Congolese SME commercial trading (import and export) with their Chinese business counterparts. As I previously mentioned, Taihe Group had requested from the Central Bank series of information on regulations and policies in order to satisfy and ensure their compliance diligence to meet Chinese correspondent banking policies. As far as I was aware, discussions held in my presence were limited to those aspects." With respect to additional follow-up questions posed by The Sentry on China Taihe Bank of Congo's ownership and planned operations, Mr. Massudi said that "Dazhou City Commercial Bank was the banking entity of Taihe Group that traded in various activities including health and care in China. I understood, without personally having any expertise of Chinese banking policies and regulations, that due to rather constraining Chinese banking regulations China Taihe Bank of Congo was to be formed as an independent company owned by Taihe Group with technical assistance (correspondent banking, technical assistance, system technology assistance, state of the art compliance and audit technology) to be provided by the experienced Dazhou City Commercial Bank in its capacity of the banking entity of Taihe Group."

⁶⁷ Taihe Group, "The establishment of China Taihe Group Co., Ltd in Hong Kong" (October 23, 2015), available at: http://en.sctaihe.cn/Company_dynamics/24.html; Xinhuanet, "泰合系控制人王仁果“失联”曾参控股多家上市公司" (January 4, 2018), available at: http://www.xinhuanet.com/2018-01/04/c_1122206608.htm; Taihe Group, "中国泰合集团收购加拿大皇后金融股权 — 四川省省长尹力、中国驻加拿大大使卢沙野等见证签约仪式" (July 5, 2017), available at: https://www.sohu.com/a/154605309_691705.

⁶⁸ One 2016 meeting between representatives of Taihe Group and unspecified Congolese individuals took place at the Kwanza Capital headquarters in Kinshasa, according to a source with knowledge of the matter.

⁶⁹ After finding that relevant Chinese-language press releases for this time frame were no longer available on Taihe Group's websites, The Sentry located a version on the website of a Sichuan-area chamber of commerce. This press release was available at <http://www.hxcsh.com/content/?113.html>, but subsequently The Sentry was unable to access it consistently. It is currently archived at <https://web.archive.org/web/20161028142809/http://www.hxcsh.com/content/?113.html>.

⁷⁰ Tencent, "刚果民主共和国央行行长与泰合董事长举行亲切会谈" (March 24, 2016), available at: <https://luzhou.house.qq.com/a/20160324/057802.htm>.

⁷¹ Journal Officiel, "Loi N° 005/2002 du 07 Mai 2002 Relative a la Constitution, a L'Organisation et au Fonctionnement de la Banque Centrale du Congo" (May 2002), available at: <http://www.leganet.cd/Legislation/Droit%20economique/Droit%20bancaire/article.banque%20centrale.pdf>.

⁷² Global Witness and PPLAAF, "DRC: Anti-Corruption Organisations Question Make-Up of Candidate's Campaign Finance Team" (November 16, 2018), available at: <https://www.globalwitness.org/en/press-releases/drc-anti-corruption-organisations-question-make-up-of-candidates/>; William Clowes, "Congo Fails to Account for Infrastructure Loans, Group Says," Bloomberg, November 9, 2017, available at: <https://www.bloomberg.com/news/articles/2017-11-09/congo-fails-to-account-for-685-million-china-loans-group-says>; Michael J Kavanagh, "Sicomines to Begin Copper Production in 2015 as Reserves Cut," Bloomberg, May 24, 2013, available at: <https://www.bloomberg.com/news/articles/2013-05-24/sicomines-to-begin-copper-output-in-2015-as-reserve-estimate-cut>. In response to questions posed by The Sentry regarding the circumstances under which he was chosen to serve on China Taihe Bank of Congo's board, Mr. Massudi stated that "I was approached by the stakeholder, whom I had met on previous occasions as a potential correspondent [sic] banker for BGFIBank, to join in as a board member of the bank to assist its ambitions of deploying the Chinese group's banking activities internationally as well as in the DRC through its banking subsidiary Dazhou City Commercial Bank. Taihe Group had conducted a detailed market research study that revealed a potential to channel small and medium enterprises [sic] import and export commercial trading transactions with China/Hong Kong. Being majority shareholder of a bank within the Group, through Dazhou City Commercial Bank, its ambition for the Congolese market was triggered by the launch of Yuan currency accounts and credit cards offered by local banks (Rawbank and BCDC)." In response to follow-up questions The Sentry posed to Mr. Massudi regarding the circumstances under which Moise Ekanga and another Congolese member of China Taihe Bank of Congo's board were selected, Mr. Massudi said that "I was asked by Taihe Group's chairman for potential candidates of independent board member with proven corporate and banking experience. [Name redacted by The Sentry] was amongst the 5/6 candidates, I knew of with required skills, I had communicated to them. I am not [sic] aware of Mr Ejanga's [sic] case."



- ⁷³ FIBank DRC, "Bref historique et Mission" (archived August 11, 2016), available through www.archive.org at: www.fibank.cd:80/digitas/fibank-historique-et-mission.html; at that time, the president of FIBank DRC's board of directors was Didier Kazadi Nyembwe, former head of DRC's national intelligence agency, the ANR, and a security advisor to President Kabila's father; Radio Okapi, "Didier Kazadi Nyembwe: Personne n'a mieux géré les services de renseignement comme je l'ai fait" (June 20, 2011), available at: <https://www.radiookapi.net/emissions-2/le-grand-temoin/2011/06/20/didier-kazadi-nyembwe-personne-na-mieux-gere-les-services-de-renseignement-comme-je-lai-fait>.
- ⁷⁴ Radio Okapi, "Dissolution de Fibank : « meilleure solution », selon le gouverneur de la BCC" (June 10, 2017), available at: <https://www.radiookapi.net/2017/06/10/actualite/economie/dissolution-de-fibank-meilleure-solution-selon-le-gouverneur-de-la-bcc>; Radio Okapi, "La BCC nomme un comité de gestion provisoire à la Fibank" (December 16, 2015), available at: <https://www.radiookapi.net/2015/12/16/actualite/economie/la-bcc-nomme-un-comite-de-gestion-provisoire-la-tete-de-la-fibank>.
- ⁷⁵ Jeune Afrique, "RD Congo : pourquoi Ahmed Kalej Nkand a été renvoyé de la Gécamines" (August 4, 2014), available at: <https://www.jeuneafrique.com/7823/economie/rd-congo-pourquoi-ahmed-kalej-nkand-a-t-renvoy-de-la-g-camines>; Jeune Afrique, "Gécamines: Ahmed Kalej Nkand veut aller de l'avant" (November 17, 2016), available at: <https://www.jeuneafrique.com/mag/371682/economie/gecamines-ahmed-kalej-nkand-veut-aller-de-lavant/>.
- ⁷⁶ Jeune Afrique, "RD Congo : pourquoi Ahmed Kalej Nkand a été renvoyé de la Gécamines" (August 4, 2014), available at: <https://www.jeuneafrique.com/7823/economie/rd-congo-pourquoi-ahmed-kalej-nkand-a-t-renvoy-de-la-g-camines/>; Jeune Afrique, "Gécamines : Ahmed Kalej Nkand veut aller de l'avant" (November 17, 2016), available at: <https://www.jeuneafrique.com/mag/371682/economie/gecamines-ahmed-kalej-nkand-veut-aller-de-lavant/>.
- ⁷⁷ Deloitte, "Etude sur le secteur bancaire en République Démocratique du Congo (2015-2016)" (December 2017), available at: <https://www2.deloitte.com/cd/fr.html>. ; Radio Okapi, "RDC: Afriland First Bank rachète la Fibank" (June 13, 2017), available at: <https://www.radiookapi.net/2017/06/13/emissions/dialogue-entre-congolais/rdc-afriland-first-bank-rachete-la-fibank>.
- ⁷⁸ Federal Financial Institutions Examination Council, "Bank Secrecy Act/Anti-Money Laundering Examination Manual; Appendix F: Money Laundering and Terrorist Financing 'Red Flags'" (2014), available at: https://www.ffiic.gov/bsa_aml_infobase/documents/bsa_aml_man_2014_v2.pdf; U.S. Department of the Treasury, "Guidance on Enhanced Scrutiny for Transactions That May Involve the Proceeds of Foreign Official Corruption" (January 1, 2001), available at: <https://www.treasury.gov/press-center/press-releases/Pages/guidance.aspx>; OECD Centre for Tax Policy and Administration, "Money Laundering Awareness Handbook for Tax Examiners and Tax Auditors" (2009), available at: <https://www.oecd.org/ctp/crime/money-laundering-awareness-handbook-for-tax-examiners-and-tax-auditors.pdf>; Financial Action Task Force, "Money Laundering and Terrorist Financing in the Securities Sector" (October 2009), available at: <http://www.fatf-gafi.org/media/fatf/documents/reports/ML%20and%20TF%20in%20the%20Securities%20Sector.pdf>.
- ⁷⁹ Journal Officiel, "Actes de sociétés et du groupement d'intérêts économiques" (July 15, 2016); Radio Okapi, "Industrie : le groupe Kwanza Capital prend le contrôle de la société textile Sotexki" (August 21, 2015), available at: <https://www.radiookapi.net/2015/08/21/actualite/en-bref/industrie-le-groupe-kwanza-capital-prend-le-contrôle-de-la-societe>.
- ⁸⁰ Journal Officiel, "Actes de sociétés et du groupement d'intérêts économiques" (July 15, 2016).
- ⁸¹ Kwanza Capital remitted payment directly to Sud Oil majority shareholder Aneth Lutale for rental of space in the garage.
- ⁸² Direction Générale des Impôts, "Répertoire Général des Contribuables" (accessed February 25, 2019), available at: <http://www.dgi.gouv.cd/repertoire-general.html>.
- ⁸³ Direction Générale des Impôts, "Liste des assujettis par gestionnaire" (accessed September 7, 2018), available at: http://www.dgi.gouv.cd/documents/RepertoireDGE_PAR_GESTIONNAIRE.xls.
- ⁸⁴ Kristof Titeca and Patrick Edmond, "The political economy of oil in the Democratic Republic of Congo (DRC): Corruption and regime control" (The Extractive Industries and Society, January 4, 2019), available at: <https://doi.org/10.1016/j.exis.2018.12.003>.
- ⁸⁵ Radio Okapi, "La ville province de Kinshasa a un nouveau gouverneur" (November 16, 2005), available at: <https://www.radiookapi.net/sans-categorie/2005/11/16/la-ville-province-de-kinshasa-a-un-nouveau-gouverneur>; Radio



Okapi, “Kinshasa :L'urbanisation de la commune de Matete, une nécessité!” (October 11, 2007), available at: <https://www.radiookapi.net/emissions-2/2007/10/11/kinshasa-lurbanisation-de-la-commune-de-matete-une-necessite/>.

⁸⁶ Radio Okapi, “Suspension de Kimbembe Mazunga, directeur général de la SCTP” (November 22, 2016), available at: <https://www.radiookapi.net/2016/11/22/actualite/en-bref/suspension-de-kimbembe-mazunga-directeur-general-de-la-sctp>.

⁸⁷ Jeune Afrique, “RDC : enquête sur un virement suspect de la Banque centrale du Congo” (April 22, 2018), available at: <http://www.jeuneafrique.com/552979/politique/rdc-enquete-sur-un-virement-suspect-de-la-banque-centrale-du-congo/>; Pierre Boisselet, “RDC : petits arrangements entre amis dans le clan Kabila” (Jeune Afrique, May 7, 2018), available at: <http://www.jeuneafrique.com/mag/553244/politique/rd-congo-petits-arrangements-entre-amis-dans-le-clan-kabila/>; Journal Officiel, “Loi N° 005/2002 du 07 Mai 2002 Relative a la Constitution, a L'Organisation et au Fonctionnement de la Banque Centrale du Congo” (May 2002), available at: <http://www.leganet.cd/Legislation/Droit%20economique/Droit%20bancaire/article.banque%20centrale.pdf>.

⁸⁸ Sud Oil also received an approximately \$6.8 million transfer from an entity identified only as “PERM.MISSION OF REP. C” on the same day of the central bank transfer. Standard guidance on money laundering risk notes that bank accounts associated with foreign missions, of which “PERM.MISSION OF REP. C” is a possible example, warrant additional scrutiny, particularly in cases where the accounts are used for activities inconsistent with the mission’s purpose.

⁸⁹ According to article 17 of the Congolese law on public markets, the overwhelming majority of contract awards by the government must be based on a public tender and they may be awarded without a public tender only in exceptional circumstances. Article 42 of the same law specifies that a public contract may be awarded on a non-competitive basis only in cases where a patented good or service is required, a single contractor has an exclusive license or rights to the good or service, or where only a single contractor can provide the necessary good or service.

⁹⁰ Journal Officiel, “45th annee numero 2 deuxieme partie” (January 15, 2004).

⁹¹ Jeune Afrique, “RD Congo : Sud Oil, la compagnie mystère qui reçoit 7,5 millions de dollars de la banque centrale” (May 7, 2018), available at: <https://www.jeuneafrique.com/mag/553267/politique/rd-congo-sud-oil-la-compagnie-mystere-qui-recoit-75-millions-de-dollars-de-la-banque-centrale/>.

⁹² Jeune Afrique, “RD Congo : Sud Oil, la compagnie mystère qui reçoit 7,5 millions de dollars de la banque centrale” (May 7, 2018), available at: <https://www.jeuneafrique.com/mag/553267/politique/rd-congo-sud-oil-la-compagnie-mystere-qui-recoit-75-millions-de-dollars-de-la-banque-centrale/>; PPLAAF, “The Lumumba Papers” (accessed February 25, 2019), available at: <http://lumumbapapers.info/>.

