



‘Bribery in its purest form’: Och-Ziff, asset laundering and the London connection

Executive Summary

January 2017

‘Gaining the upper hand in a business venture by engaging in corrupt practices is bribery in its purest form. Doing so with the intention of influencing a foreign official in his or her capacity is nothing short of corruption. In this scheme, payments of millions of dollars were paid out to senior officials within certain parts of Africa in exchange for access to profitable investment opportunities. This type of behavior can’t and won’t be tolerated.’

[William F. Sweeney Jr., Assistant Director in Charge of the FBI’s New York Field Office]

A leading US hedge fund admits its role in African bribery conspiracies

Back in May 2013, RAID wrote to the US authorities asking them to investigate certain transactions in the Democratic Republic of Congo (DRC) and Zimbabwe, financed by the US hedge fund, Och-Ziff. In March 2014, RAID was about to release a second report examining questionable Och-Ziff deals across Africa, when the hedge fund announced for the first time that, since 2011, it had been under investigation by the US Department of Justice and the Securities and Exchange Commission (SEC) in relation to the Foreign Corrupt Practices Act (FCPA).

On 29 September 2016, the DOJ charged Och-Ziff, one of the largest hedge funds in the world, managing a vast \$37 billion portfolio of assets, with conspiracy to violate the anti-bribery provisions of the FCPA.¹ The DOJ described the corrupt practices of Och-Ziff Capital Management Group LLC (Och-Ziff) as ‘bribery in its purest form’. The parent company resolved the case under a deferred prosecution agreement (DPA). An Och-Ziff subsidiary, OZ Africa Management GP LLC (OZ Africa), pleaded guilty to conspiracy to violate the FCPA.²

Och-Ziff is publicly listed, and the SEC, which regulates the New York stock exchange, also announced that Och-Ziff had agreed to settle civil charges of violating the FCPA.³ Overall, Och-Ziff agreed to pay combined civil and criminal penalties of \$412 million, the largest ever settlement concerning a Wall Street firm.

The US authorities found that the hedge fund used intermediaries, agents, and business partners to pay bribes to high-level government officials in Africa.⁴ Three elements of the Och-Ziff case are of particular

¹ United States of America against Och-Ziff capital Management Group LLC, *Deferred Prosecution Agreement*, Cr. No. 16-516 (NGG), United States District Court Eastern District of New York, 29 September 2016, available at: <<https://www.justice.gov/opa/file/899306/download>>.

² United States of America against OZ Africa Management GP, LLC, *Plea Agreement*, Cr. No. 16-515 (NGG), United States District Court Eastern District of New York, 29 September 2016, available at: <<https://www.justice.gov/opa/file/899316/download>>.

³ U.S. Securities and Exchange Commission, ‘Och-Ziff Hedge Fund Settles FCPA Charges Och-Ziff Executives Also Settle Charges’, *Press Release*, 2016-203, 29 September 2016, available at: <<https://www.sec.gov/news/pressrelease/2016-203.html>>

⁴ U.S. Securities and Exchange Commission, *Order Instituting Administrative and Cease-and-Desist Proceedings Pursuant to Section 21C of the Securities Exchange Act of 1934 and Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order*, against Och-Ziff Capital Management Group

interest to RAID. (1) All of the corrupt transactions outlined in the settlement and DPA had a London connection: the deals were arranged through Och-Ziff's London office and many of the entities involved were London-listed. For many years, RAID has tracked how mining assets of dubious provenance have been laundered through UK-markets. (2) One corruption scheme operated in the Democratic Republic of Congo, a country that has long been the focus of RAID's campaign to expose the process by which rich mineral assets were used to fund a brutal war and to reward the government's allies and vested interests in its aftermath. (3) The US authorities refer to a platinum deal in Zimbabwe, which RAID has condemned for funding Mugabe's violent 2008 election campaign, despite the existence of sanctions.

RAID sets out the repeated failure of the UK regulatory authorities over a 10-year period – despite warnings from UN Experts, due diligence studies and compliance watch lists – to take action to prevent assets acquired through corrupt means being traded on the London markets. **The key question addressed in the report is this: having failed to heed RAID's repeated calls for action, can the UK continue to shelter those who have been involved in corrupt deals, or ostensibly breached sanctions or flouted market rules, without causing lasting damage to its reputation?** It has taken action by the US authorities on Och-Ziff to bring renewed impetus to this question. Answers are long overdue. The report concludes with a series of recommendations to the UK authorities.

This summary should be read in conjunction with the full report (available at <www.raid-uk.org>), which provides detailed references. While some individuals and entities involved are named in the official documents, others are not. By comparing facts provided by the DOJ and SEC with information on the public record, it is possible to match the details referred to by the US authorities to known individuals and entities (see Annex 1).

Och-Ziff's African investments were managed out of its London office

Through a complex chain of subsidiaries, Och-Ziff had joint control over all investments and operations of African Global Capital (AGC), a joint venture set up by Guernsey-based Africa Management Limited (AML) (see Annex 2). AML was started by Och-Ziff and its affiliates and a group of South African business partners (Mvela Holdings and Palladino Holdings) to find lucrative investment opportunities in Africa. Two Och-Ziff employees, both working out of the hedge fund's London office, were 'made aware of and participated in the corrupt payments, using funds provided by Och-Ziff'. Both individuals were directors of AML's UK subsidiary.

AGC was instrumental in providing funds to Och-Ziff's DRC Partner – referred to by the DOJ as 'an Israeli businessman' with 'significant interests in the diamond and mineral mining industries in the Democratic Republic of the Congo' – in the bribery scheme to consolidate DRC copper mines.⁵ A spokesman for the Fleurette Group – a network of companies, many active in DRC, controlled by Israeli businessman Dan Gertler – is quoted in newspaper reports on the DOJ and SEC action: 'The Fleurette Group and Dan Gertler strongly deny the allegations announced today, which are motivated by a hedge fund trying to put behind it problems sparked by people that have nothing to do with Fleurette.'⁶

LLC, OZ Management LP, Daniel S. Och, Joel M. Frank, Securities and Exchange Act of 1934 *Release No. 78989*/September 29, 2016, Investment Advisers Act of 1940 *Release No. 4540*/September 29, 2016, Administrative Proceeding *File No. 3-17595*, available at: <<https://www.sec.gov/litigation/admin/2016/34-78989.pdf>>

⁵ DPA, Statement of Facts, 12; and 29 ff.

⁶ Spokesman for the Fleurette Group quoted in: Franz Wild and Keri Geiger, 'Diamond Magnate at the Heart of Och-Ziff's Africa Ambitions', *Bloomberg*, 30 September 2016, <<http://www.bloomberg.com/news/articles/2016-09-30/the-diamond-magnate-at-the-heart-of-och-ziff-s-africa-ambitions>>; Franz Wild and Jesse Riseborough, 'Glencore Reviewing Bribery Allegations Said to Involve Gertler', *Bloomberg*, 30 September 2016, <<http://www.bloomberg.com/news/articles/2016-09-30/glencore-reviewing-bribery-allegations-said-to-involve-gertler>> and; Thomas Wilson, Franz Wild, Jesse Riseborough, 'Congo Backs Billionaire Gertler After Och-Ziff Allegations', *Bloomberg*, 4 October 2016, <<http://www.bloomberg.com/news/articles/2016-10-04/congo-backs-billionaire-gertler-after-u-s-och-ziff-allegations>>.

Alternative Investment Market – a haven for asset laundering

At the height of the commodities boom and the scramble for African resources, the lax procedures of the Stock Exchange's junior Alternative Investment Market (AIM) made it a magnet for shady companies operating in high risk areas. AIM enabled such companies not only to raise funds, but also to acquire a veneer of respectability that a London listing conferred. As the RAID report shows, **the UK authorities missed many opportunities to intervene before the corrupt transactions detailed by the DOJ and SEC had taken place and prevent what a government minister has recently described as 'the flow of dirty money into the City'.**

DRC Corruption Scheme

The RAID report examines in depth the principal transactions referred to by the US authorities in the DRC, which all followed a similar pattern: Och-Ziff employees entered into agreements with Gertler as the fund's DRC Partner to purchase shares in DRC mining companies under his control, aware that payments would be made to bribe high ranking Congolese officials, who would bring pressure to bear on rival companies, forcing them to relinquish their assets. Och-Ziff as the parent company 'knowingly failed to implement and maintain controls to address known risks for corruption or misuse of company funds'.⁷ When such misuse surfaced, Och-Ziff 'conducted no review or audit to confirm or rebut the allegations, and thereafter advanced more than \$200 million to DRC Partner for additional transactions.' The DOJ's filing shows how, over a 10-year period, Och-Ziff's 'DRC Partner, together with others, paid more than one-hundred million U.S. dollars in bribes to DRC officials to obtain special access to and preferential prices for opportunities in the government-controlled mining sector'.⁸ The DOJ and SEC outline the scheme used:

In or about and between March 2008 and February 2011, Och-Ziff entered into several DRC-related transactions with DRC Partner: (1) an April 2008 purchase of approximately \$150 million of shares in a publicly traded DRC-focused mining company controlled by DRC Partner ("Company A"); (2) a \$124 million convertible loan through a subsidiary company and AGC to Company B, a DRC Partner-controlled shell entity, funded in or about and between April and October 2008 (the "Convertible Loan Agreement"); and (3) a \$130 million margin loan to Company C, a DRC Partner-controlled shell entity, in November 2010 and February 2011 (the "Margin Loan Agreement"). Leading up to and through these transactions, Och-Ziff Employee 3 and Och-Ziff Employee 5 were made aware of and participated in the corrupt payments, using funds provided by Och-Ziff to Company B and Company C, that DRC Partner made to various DRC officials to secure mining interests in the DRC. [DPA, Statement of Facts, 28]

Och-Ziff and DRC Partner worked to acquire and consolidate assets in the DRC into an entity controlled by DRC Partner that could then be sold to a large publicly-traded mining company for a significant profit. [SEC Order, 42]

The anonymised individuals and companies referred to by the US authorities can be readily matched to their identifiable counterparts across a series of known mining deals struck in the DRC, *inter alia*:

- DRC Partner matches Dan Gertler. Gertler denies any allegations and has neither been named or charged by the US authorities.
- Och-Ziff Employee 3 matches Michael Cohen, former Och-Ziff partner, and the then head of Och-Ziff's London office. Cohen is not named in the DOJ and SEC action; he has issued a denial of any wrong-doing and has not been charged by the US authorities. Cohen has since left Och-Ziff.
- Och-Ziff Employee 5 matches Vanja Baros, then a member of Och-Ziff's African investment team, based in London. Baros is not named in the DOJ and SEC action and has made no public comment on the facts of the case. No charges have been brought against Baros by the US authorities. Baros has since left Och-Ziff.

⁷ DPA, Statement of Facts, 96.

⁸ DPA, Statement of Facts, 20.

- ‘DRC officials’ include the DOJ’s ‘DRC Official 2’, matching Augustin Katumba Mwanke (since deceased), parliamentarian, and Ambassador-at-Large for the DRC government, and close adviser to the DRC President, Joseph Kabila (who matches the DOJ’s ‘DRC Official 1’).
- Company A matches Central African Mining and Exploration Company (CAMEC) Limited, admitted to AIM in October 2002. Once set up on AIM, given its lax regulations, CAMEC was then free to bring DRC and Zimbabwean mining assets of dubious provenance to the London market. Gertler had earlier acquired a large holding in CAMEC, paving the way for the injection of funds from Och-Ziff.⁹ Soon after receiving the Och-Ziff money, CAMEC announced a deal to buy a platinum mine in Zimbabwe, making cash available to the Mugabe regime.¹⁰ The deal was set up by another significant shareholder in CAMEC (the ‘Zimbabwe Shareholder’), who matches Billy Rautenbach, an individual later referred to by the US Treasury as a ‘Mugabe crony’. According to the DOJ, another \$11 million was immediately made over by Och-Ziff’s DRC Partner to DRC Official 2.¹¹
- Company B matches Gertler’s Camrose Resources Limited. The US authorities describe how Och-Ziff’s DRC Partner went about obtaining assets belonging to a Canadian mining company, identified as Africo Resources Limited.¹² DRC Official 2 (Katumba Mwanke) had orchestrated the taking of Africo’s interest in a DRC mine . The DOJ details how Och-Ziff’s DRC Partner paid ‘\$500,000 to DRC officials, including judges, who were involved in the Africo court case to corruptly influence the outcome of those proceedings to the benefit of Och-Ziff and DRC Partner’.¹³ Camrose, using \$100 million from Och-Ziff, then moved in to purchase a majority stake in Africo in exchange for resolving its legal issues.¹⁴

To attract a buyer for Camrose, the DOJ describes how ‘Och-Ziff Employee 5 [Baros] worked with DRC Partner [Gertler] to obtain additional...assets known as Kolwezi Tailings and SMKK. Och-Ziff knew that Kolwezi Tailings had been stripped by the DRC government from a mining company immediately before being obtained by a group of companies controlled by DRC Partner and the DRC government.’¹⁵ The Kolwezi Tailings (also known as KMT) had belonged to another Canadian company, First Quantum Minerals, and SMKK (Société Minière de Kabolela et Kipese) to the DRC state mining company. The DOJ confirms:¹⁶ ‘Throughout the period of DRC Partner’s acquisition of Kolwezi Tailings and SMKK, DRC Partner continued to make corrupt payments to DRC Official 2.’

- The ‘large publicly-traded mining company’ is the now infamous London Stock Exchange listed mining company, Eurasian Natural Resources Corporation (ENRC) plc, which is currently under investigation by the UK’s Serious Fraud Office (SFO). The influential Africa Progress Panel, established to promote equitable and sustainable development for Africa and chaired by former UN Secretary-General, Kofi Annan, has stated: ‘Taking into consideration other assets wrapped up in the Camrose purchase, ENRC effectively paid \$685.75 million for Kolwezi and associated concessions, which were originally purchased ...for \$63.5 million – a return of just under 1,000 per cent for the offshore companies concerned’.¹⁷

In July 2016 Africo was acquired by Eurasian Resources Group (ERG), the successor company to ENRC, and delisted from the Toronto Stock Exchange. **RAID is writing to the Canadian authorities to ask why they allowed the take-over and delisting of Africo, given the advanced stage of the investigations into Och-Ziff by the US authorities and the on-going inquiry by the SFO into ENRC.**

⁹ DPA, Statement of Facts, 32.

¹⁰ SEC Order, 51.

¹¹ DPA, Statement of Facts 32.

¹² DPA, Statement of Facts, 29 ff.

¹³ DPA, Statement of Facts, 38.

¹⁴ DPA, Statement of Facts 33.

¹⁵ DPA, Statement of Facts 51.

¹⁶ DPA, Statement of Facts 52.

¹⁷ Africa Progress Report 2013, Box 9, The Kolwezi project, p.58.

In July 2016, it was widely reported that the SFO had secured special so-called ‘blockbuster’ funding to continue its investigation into ENRC.¹⁸ In December 2016, *Bloomberg* reported that Dan Gertler is included as part of the SFO’s investigation into ENRC.¹⁹ Gertler’s Fleurette Group said in response: ‘Mr. Gertler has always made it clear that his business dealings in the DRC are entirely proper and appropriate. That remains the case. Beyond that, he is not able to comment on allegedly leaked documents.’

‘Suspicious Payments’, sanctions and Zimbabwe

Both the DOJ and SEC are concerned with violations of the FCPA and not the enforcement of sanctions. This notwithstanding, both authorities refer, under the headings of ‘Suspicious Payments’ or ‘Allegations of Serious Misconduct’, to a transaction in Zimbabwe to buy platinum assets from a state entity and the Zimbabwean Shareholder (Rautenbach), to the diversion of an Och-Ziff loan to a Zimbabwean political party and to the use of Och-Ziff’s investment to pay for an arms shipment from China.²⁰

In the 2008 election in Zimbabwe, ZANU-PF’s Robert Mugabe retained the presidency after a campaign of horrific brutality against Movement for Democratic Change (MDC) supporters. Up to 200 people were killed, 5,000 more were beaten and tortured, and 36,000 people were displaced.

The violence was financed by money originating with Och-Ziff and channelled to the Mugabe government via a loan as part of CAMEC’s lucrative platinum deal. The US\$100 million loan changed Zimbabwe’s future by thwarting progress towards democracy. Mugabe and key allies in ZANU-PF and the military were all on the EU and US sanctions list at the time of the loan. The SEC Order accords with RAID’s 2013 account of the platinum deal.²¹ Furthermore, the head of Och-Ziff’s London office (Cohen) had been warned by his colleague (Baros) that the Och-Ziff loan may have been used to pay for a shipment of arms from China. Yet neither Och-Ziff employee notified Och-Ziff’s legal and compliance department. Despite the existence of US sanctions against Zimbabwe, Och-Ziff held onto its CAMEC shares until November 2009.

RAID has already raised the matter of the Zimbabwean platinum deal and sanctions with both HM Treasury in the UK and the Office of Foreign Assets Control (OFAC) in the US. Statements made by the SEC and DOJ in the Och-Ziff case corroborate that RAID was right to have flagged these concerns. **RAID’s current report highlights inconsistencies over when and what Och-Ziff knew about the Zimbabwean platinum deal and calls upon OFAC to investigate. A key question is whether the UK authorities, far from preventing the platinum mine purchase or the later sale of shares controlled by sanctions targets, actually approved or licenced the transactions.**

For the first time, the SEC confirms what has long been suspected:²² that the Zimbabwe Shareholder (who matches Rautenbach) not only brokered the Zimbabwean platinum deal, but also that he was behind a company (matching Meryweather Investments) that sold the assets in return for CAMEC shares. When CAMEC itself was sold to ENRC, Rautenbach cashed in his shares, despite being on the sanctions list; even more disturbingly, it seems likely that the UK Treasury licensed the unfreezing of Rautenbach’s gains. As a result of this windfall, Rautenbach was able to pay off a substantial fine of R 40 million (£3.3 million) and reach a plea bargain agreement on 326 counts of fraud with the South African authorities.²³

¹⁸ See, for example, Caroline Binham and Tom Burgis, ‘UK awards extra funds for SFO probe into ENRC’s mining deals - Serious Fraud Office stepping up investigation into alleged corruption involving Africa deals’, *Financial Times*, 3 July 2016, <<https://www.ft.com/content/edb2760e-3fb3-11e6-9f2c-36b487ebd80a>>.

¹⁹ Thomas Wilson, ‘SFO Probes Israeli Billionaire, Ex-ENRC Directors on Congo Deals’, *Bloomberg*, 5 December 2016, <<https://www.bloomberg.com/news/articles/2016-12-05/sfo-probes-israeli-billionaire-ex-enrc-directors-on-congo-deals>>.

²⁰ SEC Order, B. Suspicious payments in Zimbabwe, 48 – 52; DPA, Statement of Facts, 43.

²¹ RAID, *Och-Ziff, Mugabe’s “Bagmen” and the underpricing of African assets*, July 2013.

²² SEC Order, 51.

²³ Antony Sguazzin and Brett Foley, ‘Rautenbach to Pay S. African Fine to End Legal Battle’, *Bloomberg*, 21 September 2009, available at: <<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aINXh9QhQiyQ>> (since archived). The article quotes Mthunzi Mhaga, spokesman for the NPA.

RAID has been unsuccessful in its attempts to find out, through a Freedom of Information Act (FOIA) request, what the UK government knew or did about the Zimbabwean platinum deal. The Treasury is refusing to confirm or deny whether or not it gave tacit approval for the transaction – it is apparent that CAMEC has never been charged with violating sanctions – or whether it licensed the sale of Rautenbach’s shares and allowed him access to the proceeds (again, there is a widespread perception that such licences were forthcoming).

In refusing to disclose information, the Treasury has relied upon an exemption under FOIA applied to the EU regulation implementing sanctions, which RAID has sought to challenge in the courts. While the first level court upheld the Treasury’s grounds for refusal, RAID was granted the right to appeal to a higher court, but could not pursue the case. However, as information on the DRC and Zimbabwean transactions continues to filter out, and given the unprecedented action by the DOJ and SEC in the US, certain UK companies implicated in the same corrupt schemes, not to mention the position of the UK authorities, may become increasingly exposed: much of the information the Treasury has sought to conceal is nonetheless emerging.

Conclusion

‘For many good reasons, the UK is an attractive place to invest money. But the downside is clear. The UK is also attractive to criminals and the corrupt kleptocrats who steal billions from their own people – often some of the poorest people in the world – and launder it through the UK.’

[Home Secretary, Amber Rudd, speech at the 2016 Financial Conduct Authority annual crime conference.]

A number of factors contributed to the web of corruption exposed in the Och-Ziff settlement that tainted so many of the transactions of key mineral resources over the past decade, not only in the DRC, but across the African continent. The DRC, a deeply impoverished country, weakened by years of conflict and lacking strong institutions, was particularly vulnerable to the predations and schemes of an unscrupulous cabal of wheeler dealers. The scale of the corruption they embarked on is breath-taking. These deals not only undermined the hopes for a peaceful transition to democracy and sustainable development in the Congo, but they helped to entrench corrupt practices, undermine efforts to promote good governance and consigned the majority of the population to live in squalor and environmental degradation.

The review of mining licences that the Congolese government embarked on in 2007, which was supposed to clear up the murky legacy of wartime contracts, provided Och-Ziff and its collaborators with a golden opportunity to snap up valuable assets at knock-down prices. Working with the Congolese political elite, this group were able to exploit the threat of expropriation or revocation of mining permits to their own advantage. By 2014, according to *Forbes Magazine*, President Joseph Kabila had amassed an estimated personal fortune of US\$15 billion in just over 13 years of power.²⁴ In 2015, *The Sunday Times Rich List* estimated Michael Cohen’s wealth to be £335 million (US\$500 million). *Forbes* puts Daniel Och’s (the founder and CEO of Och-Ziff) net worth at US\$2.5 billion and Dan Gertler’s wealth at \$1.18 billion. The DRC is one of the poorest and least developed nations in the world, ranked 176 out of 188 countries.²⁵ Almost 87% of its 69 million people live on less than \$1.25 a day. Put another way, that \$1.25 each day equates to \$450 per year, and with life expectancy of 58 years, Och’s personal fortune would last the lifetimes of more than 95,000 Congolese at today’s values.

Whereas developments in the DRC were outside the control of the UK regulatory authorities, as RAID’s report shows, what is at issue is the adequacy and timeliness of their response to matters that took place in London and which fell within their competence. Over the past decade, at crucial moments, the UK authorities were in a position to take action that might have thwarted at least some of the corrupt deals and could have prevented ‘the flow of dirty money into the City’.

²⁴ Richard Minitier, ‘Obama’s Secret Neo-Con Agenda’, *Forbes Magazine*, 30 June 2014.

²⁵ Data from United Nations Development Programme, *Human Development Reports*, <<http://hdr.undp.org/en/countries/profiles/COD>>.

During 2016, the Government announced a number of initiatives. Following the UK Anti-Corruption Summit of May 2016, the Government acknowledged that law enforcement struggles to prosecute ‘corporations for money laundering, false accounting, and fraud under existing common laws’ and said it would consult on an extension of ‘the criminal offence of a corporate ‘failing to prevent’ beyond bribery and tax evasion to other economic crimes’ to complement existing legal and regulatory frameworks.²⁶ But this consultation has not yet happened. However, in the context of the Criminal Finances Bill, Members of Parliament have put forward an amendment to the Proceeds of Crime Act 2002, extending the scope of unlawful conduct (set out in s. 7 of the Bribery Act 2010) to cover certain actions connected to a gross human rights abuse which have taken place abroad.²⁷

There has also been government recognition of the importance of financial sanctions to help maintain the integrity of and confidence in the UK financial services sector. RAID welcomes the creation in March 2016 of an Office of Financial Sanctions Implementation (OFSI) in the Treasury, which will be able to impose penalties for serious breaches.²⁸ The legislation is part of a raft of wider measures in the Policing and Crime Bill to toughen the government’s response to sanctions breaches, currently (as of January 2017) going through Parliament.²⁹ By giving OFSI powers to hand out monetary penalties and publish details of serious breaches, the government is sending a clear message that it will not tolerate breaches of the financial sanctions regime. However, RAID is concerned that a public interest exemption, allowing OFSI to choose not to take enforcement action, even in cases where the facts seem to warrant it, should be subject to review.

Lessons must be learned from the Och-Ziff case, including the involvement of UK-based individuals and entities, and where necessary new legislation should be enacted and existing regulations more rigorously enforced to ensure that nothing on this scale happens again.

Key Recommendations

Call for action by the UK authorities in light of the ‘London connection’ in the Och-Ziff case

1. *The Serious Fraud Office* should investigate or continue to investigate all UK entities, UK-based individuals and companies associated with the corrupt transactions identified by the DOJ and SEC: *inter alia*, Central African Mining and Exploration Company (CAMEC), African Management (UK) Limited, Eurasian Natural Resources Corporation (ENRC), and their directors and/or key executives and personnel.
2. *The Financial Conduct Authority* should, in the light of the US settlement, review the fitness of individuals and entities, referred to in the DOJ and SEC documentation, appearing on the Financial Services Register.
3. *The National Crime Agency* must review the role of UK-based individuals and entities in the Zimbabwe platinum deal, referred to by the DOJ and SEC. Apparent breaches of financial sanctions must be fully investigated and, where there is evidence of illegality, the perpetrators must be prosecuted.

²⁶ Ministry of Justice, ‘New plans to tackle corporate fraud’, *Press Release*, 12 May 2016, <<https://www.gov.uk/government/news/new-plans-to-tackle-corporate-fraud>>.

²⁷ House of Commons, Criminal Finances Bill, as Amended, *Notices of Amendments*, given up to and including Monday 28 November 2016, <http://www.publications.parliament.uk/pa/bills/cbill/2016-2017/0097/amend/criminal_rm_rep_1128.1-5.html>.

²⁸ HM Treasury, ‘New body to support financial sanctions implementation launched’, *Press Release*, 31 March 2016, <<https://www.gov.uk/government/news/new-body-to-support-financial-sanctions-implementation-launched>>.

²⁹ See HM Treasury, *Factsheet: Policing and Crime Bill – Financial Sanctions*, July 2016, <https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/537282/Factsheet_18_-_Financial_sanctions.pdf>.

While the legislation sets the parameters within which OFSI must operate, the Treasury is currently consulting on the implementation process. See HM Treasury, *The process for imposing monetary penalties for breaches of financial sanctions: consultation*, December 2016,

<https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/574669/Monetary_sanctions_consultation_final.pdf>.

General recommendations

4. *Alternative Investment Market*

- a. AIM's procedures should be strengthened in order to prevent corruptly obtained assets being laundered on London markets: (i) to avoid a conflict of interest, the same firm should not be able to act as both nomad and broker at admission. (ii) Companies should be refused admission to AIM if their directors and/or executives and/or significant shareholders have a dubious reputation or track record or where existing assets are of dubious provenance.
- b. The UK parliament's Treasury Committee should hold an inquiry into the reasons why AIM failed to prevent companies controlled by individuals of ill-repute being admitted to AIM over the period in question, allowing them to trade corruptly obtained assets on the London market, while hiding the beneficial ownership of key shareholders.

5. *UK Listing Authority*: There should be zero tolerance for corruption and asset laundering. The UKLA should establish a quality committee to vet applicants to the main market.

6. *Beneficial ownership*: The UK is the first G20 country to have an on-line public register of beneficial ownership information. It allows anyone to find out who really owns or controls a British company, preventing fraudsters from hiding behind anonymous 'shell companies'. However the current policy of seeking voluntary information exchanges between offshore jurisdictions and UK law enforcement authorities is manifestly not working. It is time to draw back the cloak of secrecy and legislate for all UK-linked offshore territories to establish full public registries of beneficial ownership.

7. *Money Laundering*: In an increasingly competitive international marketplace, the UK cannot afford to be seen as a haven for dirty money. The government should extend 'the failure to prevent offence' to money laundering to enhance the scope for criminal sanctions.

8. *Human Rights*: unexplained wealth orders, which will require an individual suspected of serious criminality to explain the origins of their wealth or face civil recovery action, should be extended to people connected to gross human rights abuses.

9. *Sanctions*

a. Forthcoming powers of enforcement – including monetary penalties – are to be welcomed, as is the commitment to publish details of serious breaches. However, RAID has serious reservations about 'public interest' exemptions to these powers: at a very minimum, such exemptions should be subject to review.

b. There should also be greater transparency over the issuing of licences to allow transactions or the unfreezing of assets. The UK Government should follow the example of the U.S. Treasury, which releases certain information on the licencing of transactions under a sanctions program.

c. The Treasury should establish a mechanism by which informed parties, including NGOs, can submit information to better identify sanctions targets and their associated entities.

d. The Treasury should account for decisions to add to or remove people or entities from the sanctions list.

Annex 1

Entity/individual referred to by DOJ/SEC Matching entity	Statements/facts – US authorities	Corresponding facts from the public record
Company A Central African Mining And Exploration Company (CAMEC)	<p>‘a publicly traded DRC-focused mining company controlled by DRC Partner’ [DOJ, DPA, Statement of Facts, 28]</p> <p>April 2008 investment by Och-Ziff in a ‘London stock exchange-listed mining company with operations in the DRC’ in which ‘DRC Partner was a significant shareholder’. [SEC Order, 48]</p> <p>Reference to the London miner’s placement announcement: ‘the offering of new shares to which Och-Ziff subscribed was intended to fund the company’s ongoing mining efforts in the DRC.’ [SEC Order, 49]</p> <p>Transaction to purchase 150 million shares in company A was for \$150 million and occurred on or about 27 March 2008 [DOJ, DPA, Statement of Facts, 32]</p> <p>‘Och-Ziff... funded approximately \$150 million from its managed investor funds in March 2008 to purchase shares in the mining company’ [SEC order, 50]</p> <p>‘Within days of the investment, the mining company publicly announced that it had acquired an interest in a platinum asset in Zimbabwe.’ [SEC order, 51]</p>	<p>CAMEC was a DRC-focused mining company, traded on the London Stock Exchange’s Alternative Investment Market (AIM).ⁱ</p> <p>By 2008, and after merging his Prairie International company with CAMEC, Gertler was a major shareholder in the latter.ⁱⁱ</p> <p>On 28 March 2008, CAMEC issued a release stating:ⁱⁱⁱ ‘[f]ollowing further discussions with the placees regarding the multiple investment opportunities available to the Company in Africa, the Company has now expanded the fundraising... 150,000,000 of the New Ordinary Shares have already been placed firm...’</p> <p>Moreover CAMEC eventually issued a release (attributed ‘From OZ Management’ and dated 28 July 2008) noting:^{iv} ‘OZ Management LP as Investment Manager to a number of investment funds is now interested in 5.83% of the outstanding share capital of the Company.’ A few days before the announcement was made, CAMEC had confirmed the number of ordinary shares in issue at 2,572,806,383:^v hence the 5.83% under the management of OZ Management equated to 150,000,000 shares.</p> <p>On 11 April 2008, CAMEC announced the acquisition of an interest in platinum mining assets in Zimbabwe.^{vi}</p>
Och-Ziff Employee 3 [DOJ] or A [SEC] Michael Cohen	<p>‘headed Och-Ziff’s London Office’.[DOJ, DPA, Statement of Facts, 8]</p> <p>‘a senior Och-Ziff employee who was the head of Och-Ziff Europe’ [SEC Order, 1]</p>	<p>Och-Ziff’s African investments are managed out of Europe.^{vii} Until March 2013, the company’s European operations were headed by Michael Cohen.^{viii}</p>

ⁱ Central African Mining & Exploration Company, *Admission document*. CAMEC was admitted to AIM in October 2002 – see: <<http://www.londonstockexchange.com/en-gb/about/Newsroom/Media+Resources/Welcome+Stories/2002/09-10-2002.htm>> (page no longer available); on CAMEC’s DRC focus, see, for example, CAMEC, *Report and Financial Statements*, Year ended 31 March 2006, p.3.

ⁱⁱ CAMEC, ‘Circular re DRC Joint Venture Acquisition and Trading Update’, 7 May 2008, available at: <<http://www.investegate.co.uk/central-afr--min--38-exp--cfm-/rns/circ-re--drc-joint-venture/200805070701298349T/>>.

ⁱⁱⁱ CAMEC, ‘Planned Placing Extended To Raise Additional Funds For Expansion,’ 28 March 2008, available at: <<http://www.investegate.co.uk/central-afr--min--38-exp--cfm-/rns/placing-extension/200803281300050470R/>>.

^{iv} CAMEC, RNS 1627A, ‘Holding(s) in Company’. 29 July 2008, available at: <<http://www.investegate.co.uk/central-afr--min--38-exp--cfm-/rns/holding-s--in-company/200807291809131627A/>>.

^v See CAMEC, ‘Exercise of options and TVR,’ *RNS 8019Z*, 24 July 2008, available at: <<http://www.investegate.co.uk/central-afr--min--38-exp--cfm-/rns/exercise-of-options-and-tvr/200807241152428019Z/>>.

^{vi} CAMEC, RNS 1641S, ‘Acquisition of Platinum Assets,’ 11 April 2008, available at: <<http://www.investegate.co.uk/central-afr--min--38-exp--cfm-/rns/acquisition/200804111130081641S/>>.

^{vii} Och Ziff Capital Management Group, *Annual Report 2012*, Financial Report, p.5: ‘OZ Europe Master Fund is a multi-strategy fund that opportunistically allocates capital between the underlying investment strategies described below in Europe, Africa and the Middle East.’ A due diligence questionnaire published by Merrill Lynch International as fund sponsor and promoter, describes: ‘Och-Ziff Management Europe Limited - Functions: Assists OZ Management LP in the management of a portion of the assets of the OZ funds pursuant to a sub-advisory agreement, subject to the direction of, and policies established by, OZ Management LP. Primarily focuses on Europe- and Africa- related investment opportunities.’ (Merrill Lynch International, Due Diligence Questionnaire for Och-Ziff Multi-strategy UCITS Fund, March 2011, Q.1.2.6, p.4).

^{viii} Och Ziff Capital Management Group, *Form 8K*, Report of unscheduled material events or corporate event, 19 March 2013, available at: <<http://services.corporate-ir.net/SEC/Document.Service?id=P3VybD1hSFiwY0RvdkwyRndhUzUwWlc1cmQybDZZWEprTG1OdmJTOWtiM2R1Ykca5aFpDNXdhSEEvWVdOMGFXOXVQVkJFUmlacGNHRm5aVDAOT0RBNE5ERTBKbk4xWW5OcFpEMDFOdZ09JnR5cGU9MiZmbj1PY2haaWZmQ2FwaXRhbE1hbmFnZW11bnRHCm91cExMQ184S18yMDEzMDEMDMxOS5wZGY=>>>.

<p>Och-Ziff Employee 5 [DOJ] or B [SEC]</p> <p>Vanja Baros</p>	<p>‘an Australian citizen’ [DOJ, DPA, Statement of Facts, 10]</p> <p>‘an employee of Och-Ziff Management Europe Limited, the London based subsidiary of OZ Management LP, and a member of Och-Ziff’s European private investment team, which also had responsibility for investments in Africa.’ [DOJ, DPA, Statement of Facts, 10]</p>	<p>Companies House filing on Africa Management (UK) Limited lists Vanja Baros as a former director and Australian national.^{ix}</p> <p>Vanja Baros spent five years at Och-Ziff Capital Management in London investing in the natural resources sector.^x</p> <p>Widely described as Och-Ziff London office’s Africa director.^{xi}</p>
<p>Zimbabwe Shareholder</p> <p>Muller Conrad (aka ‘Billy’) Rautenbach</p>	<p>‘one major shareholder in the entity (“Zimbabwe Shareholder”) had been expelled from the DRC’. [SEC Order, 49]</p> <p>Platinum mine in Zimbabwe ‘seized from another mining entity and then ‘resold...to a holding company affiliated with the Zimbabwe Shareholder and the Zimbabwe state owned mining company. The Zimbabwe Shareholder then transferred the holding company to the DRC-based mining company in exchange for additional shares in the mining company. [SEC Order, 51]</p>	<p>On 17 July 2007, Zimbabwean businessman Billy Rautenbach, a significant shareholder in CAMEC and from whom the latter had acquired DRC mining assets, was barred from the DRC by the Interior Ministry.^{xii}</p> <p>On 11 April 2008, CAMEC announced the acquisition of an interest in platinum mining assets in Zimbabwe via its acquisition of 100% of Lefever Finance Ltd, registered in the British Virgin Islands.^{xiii} Lefever owned 60% of Todal Mining (Private) Limited, a Zimbabwean company, which held the rights to the Bougai and Kironde claims south west of the city of Gweru in Zimbabwe.^{xiv} The remaining 40% of Todal was held by the Zimbabwe Mining Development Corporation (‘ZMDC’), wholly owned by the Government of Zimbabwe. The consideration paid for Lefever was a cash payment of US\$5 million and the issue of 215,000,000 new CAMEC ordinary shares.</p>
<p>DRC Official 2</p> <p>Katumba Mwanke</p> <p>DRC Official 1</p> <p>President Joseph Kabila</p>	<p>“‘DRC Official 2,” ... was a senior official in the DRC and close advisor to DRC Official I. Since at least 2004, DRC Official 2 was an Ambassador-at-Large for the DRC government and also a national parliamentarian.’ [DOJ, DPA, Statement of Facts, 15]</p> <p>‘[senior DRC government official’s] closest aide, and former [DRC provincial] governor’ [SEC Order, 46.f.]; “‘key guy,” a top advisor to a senior DRC government official’ [SEC Order, 63]</p> <p>‘On or about February 12, 2012, DRC Official 2 died. On or about February 13, 2012, Och-Ziff Employee 5 sent an e-mail message to Och-Ziff Employee 3, which stated: “FYI, [DRC Official 2 is] dead, [DRC Partner’s] key guy in DRC.” Och-Ziff Employee 5’s e-mail included the text of a Financial Times article on the official’s death, which stated, among other things: “[DRC Official 2], member of parliament and a former governor of Congo’s copper heartlands province, Katanga, cut a shadowy figure.’ [DOJ, DPA, Statement of Facts, 61]</p>	<p>Financial Times article:^{xv} ‘Augustin Katumba Mwanke, chief adviser to Joseph Kabila, the president of the Democratic Republic of Congo, has been killed in a plane crash...Mr Mwanke, member of parliament and a former governor of Congo’s copper heartlands province, Katanga, cut a shadowy figure. Diplomats associate him with Congo’s entrenched corruption and a series of secret investments.’</p>

^{ix} Companies House, record of company officers, <<https://beta.companieshouse.gov.uk/company/06374856/officers>> (visited 02/11/2016).

^x Loon Energy Corporation, biography of Vanja Baros, <http://www.loonenergy.com/bios/v_baros.html>. An identical biography was used by Serinus Energy, although has since been removed; see, however, webpage captured on 5 September 2015, available at: <<http://web.archive.org/web/20150905104442/http://investor.serinusenergy.com/en/press/Management-biographies/vanja-baros>>.

^{xi} See, for example, *Africa Confidential*, Vol. 53 No. 13, 22 June 2012, ‘Who’s who in the Guinea Loan Saga’; also Scott Patterson and Michael Rothfield, ‘U.S. Investigates Hedge Fund Och-Ziff’s Link to \$100 Million Loan to Mugabe’, *Wall Street Journal*, 5 August 2015, <<http://www.wsj.com/articles/u-s-probes-och-ziff-africa-deal-tied-to-mugabe-1438817223>>.

^{xii} As reported in *Mining Weekly*, ‘CAMEC’s Rautenbach arrested in DRC, deported to Zimbabwe’, 19 July 2007, available at: <http://www.miningweekly.com/article/camec039s-rautenbach-arrested-in-drc-deported-to-zimbabwe-2007-07-19/rep_id:3650>.

^{xiii} CAMEC, RNS 1641S, ‘Acquisition of Platinum Assets’, 11 April 2008, available at: <<http://www.investigate.co.uk/central-afr-min--38-exp--cfm-/rns/acquisition/200804111130081641S/>>.

^{xiv} Ibid.

^{xv} *Financial Times*, ‘Kabila adviser dies in plane crash’, 12 February 2012, <<https://www.ft.com/content/08789a94-55a4-11e1-9d95-00144feabd0>>.

	<p>“DRC Official 1,”... was a senior official in the DRC who had the ability to take official action and exert official influence over mining matters in the DRC.’ [DOJ, DPA, Statement of Facts, 14]</p>	
<p>DRC Partner</p> <p>Dan Gertler</p>	<p>“DRC Partner,” an Israeli businessman... had significant interests in the diamond and mineral mining industries in the Democratic Republic of the Congo (the “DRC”).’ [DOJ, DPA, Statement of Facts, 12]</p> <p>‘infamous Israeli businessman with close ties to government officials at the highest level within the DRC (“DRC Partner”). [SEC Order, 42]</p> <p>Och-Ziff attorney ‘noted that the DRC Partner “will be very easy to find ... perhaps the impetus behind the movie ‘Blood Diamonds.’” [SEC Order, 45]</p> <p>‘DRC Partner’s business dealings in the DRC began in 2000 when he was awarded a diamond export monopoly valued at \$600 million for which he allegedly paid only \$20 million... It was later alleged that DRC Partner secured his monopoly “in exchange for providing military training” to government forces in the DRC.’ [SEC Order, 46.d.]</p> <p>Lora Enterprises Limited is described as a ‘DRC-Partner-controlled company’ (DOJ, DPA, Statement of Facts, 58)</p> <p>DRC Partner was ‘a significant shareholder’ in ‘a London stock exchange-listed mining company with operations in the DRC’. [SEC Order, 48]</p>	<p>In April 2001, a UN Panel stated:^{xvi} ‘Monopoly on diamonds granted to International Diamond Industries (IDI).— According to government sources, the objective of this monopoly was twofold: first, to have fast and fresh money that could be used for the purchase of needed arms.... Second, to have access to Israeli military equipment and intelligence given the special ties that the Director of International Diamond Industries, Dan Gertler, has with some generals in the Israeli army. The same UN Panel reported in November 2001 (UN Panel Report 13 November 2001, paragraphs 67 – 9):^{xvii} ‘President Kabila reached an agreement with the Israeli-owned International Diamond Industries in August 2000 for a monopoly on diamond sales. According to the terms of the agreement, IDI agreed to pay \$20 million in return for a monopoly on sales valued at \$600 million annually. The Panel was informed by very credible sources that this deal included unpublished clauses, in which IDI agreed to arrange, through its connections with high-ranking Israeli military officers the delivery of undisclosed quantities of arms as well as training for the Congolese armed forces.’</p> <p>According to a Katanga Mining news release:^{xviii} ‘Lora Enterprises Limited (“Lora”)... ultimate owner is a trust for the benefit of family members of Dan Gertler (the “Trust”).’ Global Witness put questions to Dan Gertler and received a reply, including statements:^{xix} ‘Lora... [is] owned by Fleurette Group’ and ‘Who are the ultimate beneficial owners of Lora? Fleurette Properties Limited’. Fleurette has confirmed that the Fleurette Group was established ‘for the benefit of the Gertler Family Trust’.^{xx}</p> <p>CAMEC matches the ‘London stock exchange-listed company’. By May 2008, Gertler had a 32.7% holding in CAMEC via the merger with Prairie.^{xxi}</p>
<p>South African conglomerate</p> <p>Mvela Holdings</p> <p>Founded by:</p>	<p>Och-Ziff ‘chose a prominent figure in South Africa as a potential partner for AGC.... a former government official as well as a successful businessman through his South African-based conglomerate.’ [SEC Order, 34]</p>	<p>Och Ziff refers to how the AML ‘will combine the regional infrastructure and expertise of Mvela Holdings’ and ‘will act as the exclusive vehicle for Mvela Holdings and OZ Management to pursue private investment opportunities within the region.’^{xxii}</p>

^{xvi} UN Security Council, *Report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of Congo*, S/2001/357, 12 April 2001, paragraphs 150 – 2.

^{xvii} UN Security Council, *Addendum to the report of the Panel of Experts on the Illegal Exploitation of Natural Resources and Other Forms of Wealth of the Democratic Republic of Congo*, S/2001/1072, 13 November 2001, paragraphs 67 – 69.

^{xviii} Katanga Mining Limited, ‘Katanga announces closing of US\$265 million mandatorily convertible loan facility’, *News Release*, 11 February 2009, <<http://www.katangamining.com/media/news-releases/2009/2009-02-11.aspx>>.

^{xix} <<https://www.globalwitness.org/documents/11511/responses%20by%20dan%20gertler%20to%20global%20witness.pdf>>.

^{xx} According to the company website: ‘Fleurette Properties Limited, incorporated in Gibraltar and a Dutch tax resident, is the parent company of the Fleurette Group, which is ultimately owned by Line Trust Corporation Limited strictly and solely in its capacity as trustees of the Ashdale Settlement, a trust established in 2006 for the benefit of the family of Dan Gertler.’ (<<http://fleurettegroup.com/the-group/ownership>>).

^{xxi} CAMEC, ‘Circular re DRC Joint Venture Acquisition and Trading Update’, 7 May 2008, available at: <<http://www.investigate.co.uk/central-afr--min--38-exp--cfm--rns/circ-re--drc-joint-venture/200805070701298349T/>>.

^{xxii} Och-Ziff, *Press Release*, ‘Mvelaphanda Holdings, Och-Ziff and Palladino create joint venture to focus on natural resources in Africa’, 29 January 2008, <<http://shareholders.ozcap.com/phoenix.zhtml?c=213764&p=irol-newsArticle&ID=1101494&highlight=>> (page no longer available); alternative source: <<http://www.prnewswire.co.uk/news->

Tokyo Sexwale		<p>Mvela Holdings is incorporated in South Africa.^{xxiii} Mvela Holdings is described in the Och-Ziff release as ‘a private investment company founded in 1998 by Tokyo Sexwale, Mikki Xayiya and Mark Willcox. It is the controlling shareholder of JSE-listed Mvelaphanda Group Ltd and has a significant interest in JSE-listed Mvelaphanda Resources Ltd.’</p> <p>Tokyo Sexwale is a former government minister in South Africa.^{xxiv}</p>
<p>South African Partner</p> <p>Walter Hennig</p> <p>Founder of:</p> <p>Palladino Holdings</p>	<p>‘An individual with a close connection to the co-founders of the South African conglomerate (“South African Business Partner”) became Och-Ziff’s partner in AGC....South African Business Partner controlled a private operating entity domiciled outside of South Africa, and he was designated to source and acquire assets for AGC.’ [SEC Order, 34]</p>	<p>Och Ziff refers to how the AML ‘will combine the regional infrastructure and expertise of ...Palladino’^{xxv}</p> <p>Mvela Holdings is described in the Och-Ziff release as a private investment vehicle, founded in 2003 by Walter Hennig holding ‘a variety of significant mining, energy and other assets in Africa.’^{xxvi} A company under the name Palladino Holdings Limited is registered in the UK, and recorded as originating in the Turks & Caicos Islands.^{xxvii} Other market notifications that refer to Palladino Holdings Limited as a shareholder give an address for Palladino in the Turks & Caicos Islands.^{xxviii}</p> <p>AML company records state:^{xxix} ‘In the opinion of the Directors there are two ultimate controlling parties of the Company [Africa Management (UK) Limited], being Palladino Holdings Limited and Och-Ziff Capital Management Group LLC.’</p> <p>Palladino’s Walter Hennig was appointed a director of AML UK in July 2012 and is still described as ‘active’ in company records.^{xxx}</p> <p>Palladino Holdings has confirmed:^{xxxi} ‘AGC was a joint venture between Palladino and Och Ziff.’</p>
CEO of AML	‘Millions of dollars in Och-Ziff investor funds also went to personally enrich...the CEO of	Och-Ziff’s press release refers to the UK subsidiary as capitalising on available

releases/mvelaphanda-holdings-och-ziff-and-palladino-create-joint-venture-to-focus-on-natural-resources-in-africa-155642325.html>.

^{xxiii} Company number 1997/021524/07, incorporated in South Africa, 12 October 1997. See <<http://www.cipro.co.za/ccc/EntDet.asp?T1=%DD%47%2C%8C%57%00%1E%BE%13%BD%38%8A%BF%AD%22&T2=MVELAPHANDA%20HOLDINGS>> (direct link no longer available; company information accessible on registration).

^{xxiv} Sexwale was appointed Minister of Human Settlement in May 2009 and was dismissed in a cabinet reshuffle in July 2013. See South African Government News Agency, respectively: ‘Sexwale to head human settlements ministry’, 10 May 2009, available at: <<http://www.sanews.gov.za/south-africa/sexwale-head-human-settlements-ministry>>; ‘President Zuma announces changes to cabinet, 9 July 2013, available at: <<http://www.sanews.gov.za/south-africa/president-zuma-announces-changes-cabinet>>.

^{xxv} Och-Ziff, *Press Release*, ‘Mvelaphanda Holdings, Och-Ziff and Palladino create joint venture to focus on natural resources in Africa’, op cit.

^{xxvi} Ibid.

^{xxvii} Company No.: FC026401 (UK establishment number BR012048), registered in the UK 12 May 2005 (as given in Companies House WebCheck, visited 20 January 2014). The address for Palladino Holdings Limited is given as Sovereign Corporate & Fiscal Services Limited, 40 Craven Street, Charing Cross, London, Turks & Caicos Islands, WC2N 5NG.

^{xxviii} See, for example, Coal of Africa Limited, *RNS 2379X*, ‘Holding(s) in company’, 6 February 2013, <<http://otp.investis.com/clients/uk/coalofafrica/rns/regulatory-story.aspx?cid=361&newsid=312889>>, where the address for Palladino Holdings Limited is given as PO Box 170, Churchill Building, Front Street, Grand Turk, Turks and Caicos Islands. Africa Management Limited is a major shareholder in Coal of Africa.

^{xxix} Africa Management (UK) Limited, Annual Report and Financial Statements For the Year Ended 31 December 2009, 15. Controlling Parties.

^{xxx} Companies House, record of company officers, <<https://beta.companieshouse.gov.uk/company/06374856/officers>> (visited 02/11/2016).

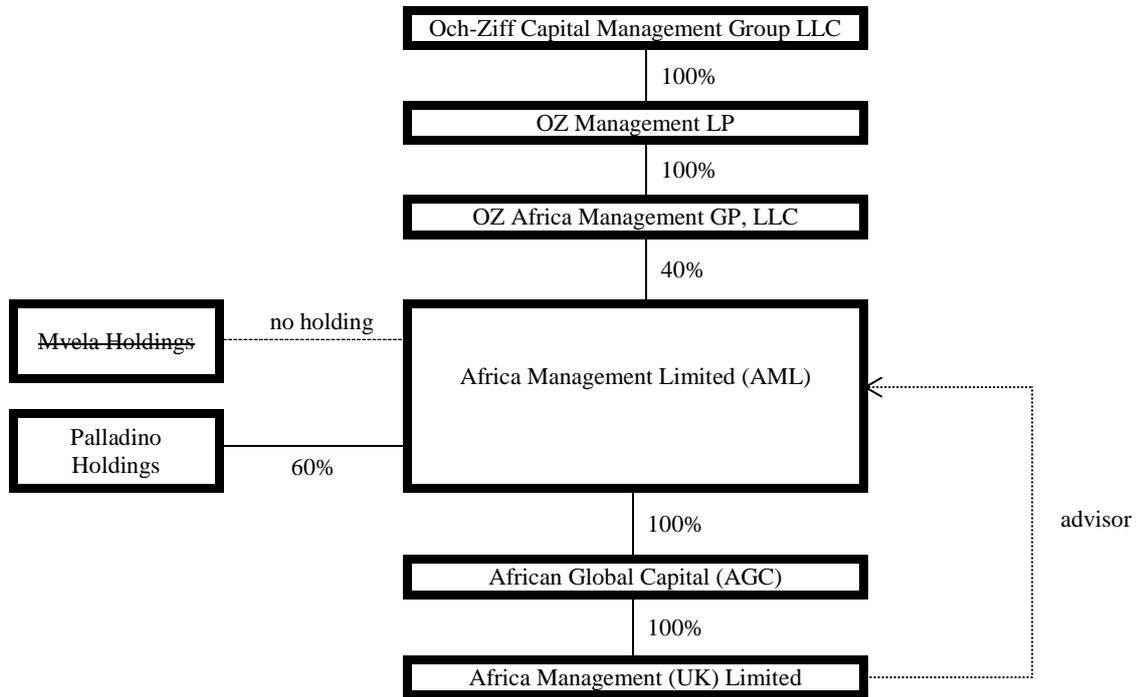
^{xxxi} <<https://business-humanrights.org/en/response-by-palladino-holdings-re-investments-in-africa-sanctions-on-zimbabwe>>.

Mark Wilcox	<p>AML' [SEC Order, 39]</p> <p>'In June 2008, Och-Ziff Employee A forwarded to Och-Ziff Employee B a text message from the CEO of AML which said that the mining company Och-Ziff had just invested in had "paid 4 arms into zim[babwe], and rented boat from china. Journo has bank transfers, aparently [sic].'" [SEC Order, 52]</p> <p>'Och-Ziff Employee A and Och-Ziff Employee B, along with the CEO of AML and South African Business Partner, conceived of a related-party transaction...' [SEC Order, 80]</p>	<p>opportunities under its chief executive, Mark Willcox.^{xxxii} According to the press release: 'Mark Willcox, Chief Executive Officer of Mvela Holdings and newly appointed Chief Executive Officer of Africa Management (UK) Limited, said: "We have a strong pipeline of transactions across a broad spectrum of industries and geographies. We are excited by the opportunities available to African Global Capital and feel our partnership with Och-Ziff and Palladino places us in a prime position to capitalise on them."'</p> <p>Wilcox was also a director of AML UK from 2007-2012.^{xxxiii}</p>
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^{xxxii} Och-Ziff, *Press Release*, 'Mvelaphanda Holdings, Och-Ziff and Palladino create joint venture to focus on natural resources in Africa', op. cit.

^{xxxiii} Companies House, record of company officers, <<https://beta.companieshouse.gov.uk/company/06374856/officers>> (visited 02/11/2016).

Annex 2



Simplified ownership of Africa Management Limited