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The \$500 Million Central Bank Heist—and How It Was Foiled

Officials in Angola have charged four men in connection with an alleged plot that would have been one of the biggest of its kind

By Margot Patrick, Gabriele Steinhauser and Patricia Kowsmann

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An accountant walked up to a teller at a suburban London branch of HSBC Holdings PLC and asked to transfer \$2 million to Japan. The teller pulled up the account and stared at her screen. There was \$500 million in the account.

After asking the accountant some questions, she told him she couldn't make the transfer. Then she filed a report to her superiors.

HSBC quickly found out where the money had come from. Three weeks earlier, in mid-August of 2017, officials at the central bank of Angola had sent \$500 million of the country's reserves to a company registered to the accountant's modest storefront office between a cafe and barber shop in a gritty London neighborhood.

Authorities in Angola now allege the \$500 million transfer was illegal, part of a convoluted plot to defraud the southern African country in the final weeks of President José Eduardo dos Santos's 38-year rule. If Angolan prosecutors are right, the HSBC teller had helped thwart one of the biggest attempted bank heists ever.

Investigators unraveling the transaction for Angola have identified a cache of forged bank documents and an "Ocean's Eleven"-style cast of characters, including a smooth-talking Brazilian based in Tokyo and a Dutch agricultural engineer. Their alleged plan, said Angolan government officials in court documents and interviews with The Wall Street Journal, was to siphon fees and cash from the central bank while pretending to set up a \$35 billion investment fund.

The group convened in glamorous spots in London, a coastal resort in Portugal and Angola's capital, Luanda, with at least one meeting attended by President dos Santos. The money trail they left led investigators to international banks, shell companies and a Japanese firm whose mission is described on its website as "assets liberation."

"One looks at this and thinks, 'Wow, what's going on here?'" says José Massano, Angola's new central-bank governor, who is trying to piece together how his bank almost lost a chunk of its foreign-exchange reserves. "It is the kind of thing that shouldn't really happen."

Last month, prosecutors in Angola announced a variety of criminal charges against a son of Mr. dos Santos, the former central-bank governor and two



José Massano, Angola's new central-bank governor, is trying to piece together what happened.
PHOTO: NATIONAL BANK OF ANGOLA

others in relation to the alleged fraud. In the U.K., Angola has sued four men, including the Brazilian and the Dutch engineer, to recover €25 million the central bank paid to set up the multibillion-dollar fund, which never materialized.

The defendants in the U.K. civil case deny wrongdoing and say they did legitimate work on an investment fund, under contract, for which they received fees. After being named a suspect by Angola prosecutors in March, Mr. dos Santos's son said he is cooperating with the investigation, and the former central-bank governor couldn't be reached for comment. One of the other two men charged denied wrongdoing; the other couldn't be reached for comment.

Angola's lawyers say the country may have fallen victim to a decades-old type of get-rich-quick scheme, typically used to defraud individuals or companies, not sovereign states. Investors are told they can make huge returns through a private market in "bank guarantees." There is no such market, and the U.S. Treasury Department and Securities and Exchange Commission have warned that such offers are always fraudulent.

This account of the case is based on interviews with Angolan officials, bankers, people involved in the legal cases and documents related to the U.K. lawsuit, including sworn statements and a judicial ruling.

In June of last year, a letter marked "confidential" arrived at Angola's finance ministry for then-President dos Santos, 76 years old, who was preparing to step down after elections that August. Angola was reeling from double-digit inflation, and its currency had plunged since the 2014 oil bust.

The letter, bearing a BNP Paribas SA logo and the signature of the French bank's chairman, made a compelling proposal. BNP Paribas and other European banks would help Angola create a \$35 billion fund, refinance debt and get hard currencies for imports.

The letter named two deal coordinators: Hugo Onderwater, a Dutch agricultural engineer living in Portugal, and Jorge Pontes Sebastião, a childhood friend and business partner of President dos Santos's son. Mr. Pontes, 40, a slim man whose bodyguard carries his briefcase to meetings, was until recently president of an Angolan bank; Mr. Onderwater, 55, tall and sandy-haired, has a business converting waste to energy, according to U.K. court filings by the two men. The two had met in 2016 to discuss financing for an Angolan government food-quality agency, then broadened the idea into an Angola investment fund, according to a court statement by Mr. Pontes.

Days after the letter arrived, Angola's finance minister and central-bank

governor flew to a meeting in Cascais, near Lisbon. The president's son, José Filomeno dos Santos, then in charge of Angola's sovereign-wealth fund, came with them to represent the state, according to a U.K. court filing. His father had approved looking into the project, according to Mr. Pontes's statement.



José Filomeno dos Santos, the son of Angola's former president, faces criminal charges. PHOTO: PATRICK MCGROARTY/THE WALL STREET JOURNAL

In a seaside hotel, Mr. Onderwater, the Dutch engineer, and Mr. Pontes presented slides for a new fund to help diversify Angola's economy, to be managed by a "qualified trust company" in London, according to excerpts from the presentation in U.K. court documents. A slide listed banks said to be supporting the project, including the European Central Bank.

The ECB says it was never involved in the project, and BNP Paribas says the letter with its logo and chairman's signature was forged.

Mr. Onderwater later told the U.K. court the banks mentioned were merely examples of possible participants, and that he only saw the BNP Paribas letter during court proceedings.

Angola's finance minister, Archer Manguiera, was skeptical of the plan. His department questioned the experience of the two deal coordinators and wondered about the project's "true developers."

Nevertheless, in July of last year, the central-bank governor, Valter Filipe da Silva, signed an agreement with Mr. Pontes to set up the fund.

That same month, the central bank started transferring €24.85 million (\$28.9 million) from its Commerzbank AG account in Frankfurt to an account of Mr. Pontes at Banco Comercial Português SA in Lisbon, for fees due under the agreement, U.K. court documents show.

Mr. Onderwater received €5 million of that money, using some to buy property in Lisbon and rural Devon, England, investigators for the Angolan finance ministry found.

Another €2.4 million went to a Tokyo company called Bar Trading, headed by another alleged participant in the plan, 51-year-old Brazilian Samuel Barbosa da Cunha. His role was to act as "trustee" of Angola's \$500 million seed money for the new fund, in charge of obtaining the "bank guarantees" and financial instruments that were supposed to transform the country's money into \$35 billion, according to Mr. Pontes's testimony and other U.K. court filings.

Mr. Pontes told the U.K. court Mr. Barbosa was brought into the deal by Mr. Onderwater, a claim Mr. Onderwater denies. Lawyers for Mr. Onderwater said recently in a written statement that the bank guarantee was "solely an internal Angolan matter."



A passport photo of Hugo Onderwater, a Dutch agricultural engineer living in Portugal, who was one of the deal's coordinators.



A passport photo of Samuel Barbosa, another alleged participant in the plan.

Bald and hulking, Mr. Barbosa described himself as an expert in buying and selling such guarantees on his company website and in

correspondence with clients reviewed by the Journal. His LinkedIn biography says he has 30 years of financial experience and an economics doctorate from Boston University. The school's library has no record of a dissertation, and a spokeswoman for the school couldn't confirm his attendance or a degree after searches by his name, hometown and birthdate.

At the end of July 2017, Mr. Barbosa headed for London. First, he touched down in Riga, Latvia, where he boasted to a friend that he was working on a big deal with Angola's central bank, the friend says.

Mr. Barbosa and the friend had teamed up before, persuading retirees in

Florida and Canada and an Australian company to invest in bank guarantees promising up to 550% monthly returns, according to people who gave them money and documents they provided to those people, which were reviewed by the Journal. A representative of the Australian company filed complaints about the friend and Mr. Barbosa to U.K. authorities, alleging fraud, according to the documents.

U.K. regulators declined to comment. Mr. Barbosa didn't respond to requests for comment, and the friend denied working with Mr. Barbosa or any involvement in the alleged fraud.

One day in August of last year, Messrs. Onderwater and Pontes sent instructions to the central-bank governor to transfer \$500 million to the trustee, Mr. Barbosa, according to evidence cited by the U.K. court. They provided the details of an HSBC account of a company called Perfectbit Ltd., registered to the London accountant's storefront office and listed on Bar Trading's website as an overseas subsidiary.



Angola sent \$500 million to a company registered to this accountant's storefront office in a gritty London neighborhood. PHOTO: MARGOT PATRICK/THE WALL STREET JOURNAL

Two days later, central-bank officials entered Perfectbit's account details into the Swift network, a bank-owned consortium that handles millions of daily payment instructions. The money moved from the central bank's Standard Chartered PLC account in London to Perfectbit's HSBC account. The transaction didn't prompt any extra checks by either bank, people familiar with the matter say.

"There is a hole in the international finance system that allows for transfers to be made with minimal information," says Shane Shook, a cybersecurity consultant.

The central bank's Swift message code indicated—inaccurately—that the money was for intrabank business with HSBC rather than headed to an HSBC customer, according to bank documents reviewed by the Journal. HSBC noticed the discrepancy later, when it started probing the transfer.

Once the \$500 million was in Perfectbit's account, the accountant made Mr. Barbosa and an associate owners of the company. The accountant, Bhishamdayal Dindyal, kept signing power on the HSBC account.

Over the next few weeks, the accountant and an associate of Mr. Barbosa's each visited HSBC branches trying to access the cash, unsuccessfully, according to Angola's U.K. court claim. The associate said in a later court statement that \$26,999.99 from the HSBC account was paid as a fee for Perfectbit's work on the fund.

After the alert teller in the suburban London branch filed a report about the enormous balance, HSBC suspended the account for review.



Angolan authorities allege there was a convoluted plot to defraud the southern African country in the final weeks of President José Eduardo dos Santos's 38-year rule. PHOTO: AMPE ROGERIO/AGENCE FRANCE-PRESSE/GETTY IMAGES

In Angola, a power shift was under way. President João Lourenço, inaugurated in September 2017, launched an anticorruption drive, and his finance minister, Mr. Mangureira, still suspicious of the central bank's new investment fund, started an investigation.

Seeking answers, Mr. Mangureira took the central-bank governor, Mr. da Silva, to London again to meet with the three organizers of the deal—Messrs. Onderwater, Pontes and Barbosa. The former president's son, Mr. Filomeno dos Santos, came along, too, this time in support of the deal organizers, U.K. court filings show.

In an hourslong meeting at the elegant Cavalry & Guards Club, Mr. Barbosa batted away questions about his and his colleagues' qualifications. He said a European bank had guaranteed Angola's \$500 million, according to a U.K. court filing. That day, a letter was sent to President Lourenço saying Angola's \$500 million was guaranteed by Switzerland's Credit Suisse AG , and had swelled to \$2.5 billion from transactions by the trustee.

Credit Suisse says it didn't guarantee the money and documents in its name were forged.



Angola's finance minister, Archer Mangureira, started an investigation. PHOTO: ANGOLA'S FINANCE MINISTRY

As he listened to Mr. Barbosa, Mr. Mangureira recalled in an interview, he became convinced the Brazilian was the mastermind of a fraud. He had the air of a "*vendedor da banha da cobra*," Mr. Mangureira said—Portuguese for a snake-oil salesman.

Back in Angola, President Lourenço gave Mr. da Silva, the central-bank governor, 24 hours to get the \$500 million back, according to U.K. court filings. That didn't happen, and he resigned without any public explanation.

With the deal collapsing, Perfectbit wrote to HSBC last Nov. 9 asking the

bank to return the nearly \$500 million in its account to the central bank, according to a U.K. court statement from Mr. Barbosa. He said Perfectbit was asked to make the request by the company owned by Messrs. Pontes and Onderwater that had hired Perfectbit to act as trustee.

Eight days later, Angola's finance ministry filed the U.K. lawsuit against the three organizers of the deal—Messrs. Pontes, Onderwater and Barbosa—and Mr. Barbosa's associate. A judge froze the \$499,972,438 remaining in the HSBC account. The U.K.'s National Crime Agency, an entity akin to the Federal Bureau of Investigation, opened a criminal investigation.

A few days later, Mr. Barbosa's associate was arrested by police at Heathrow Airport and released under investigation. He denies wrongdoing.

The accountant, Mr. Dindyal, who isn't a defendant in the lawsuit, was arrested at home in December and also released under investigation. He declined to comment.

Messrs. Pontes, Onderwater and Barbosa all say their companies operated under contracts with the central bank or each other and deny wrongdoing.

A judge in the U.K. civil case said in a written April ruling that Mr. Pontes and his company "appear to contend (in effect) that they are victims of a fraud perpetrated by Mr. Onderwater. Mr. Onderwater appears to contend (in effect) that he is a victim of the fraud of Dr. Barbosa and Dr. Pontes."

U.K. authorities returned the \$500 million to the Angolan central bank, but prosecutors in Angola are proceeding with their criminal fraud case.

They charged Mr. Filomeno dos Santos, the former president's son, and Mr. Pontes with money laundering, criminal association, falsification of documents, influence peddling and stealing through fraud.

Mr. da Silva, the former central-bank governor, was charged with criminal association, embezzlement and money laundering. The fourth man, a central-bank employee, was charged with criminal association and embezzlement.



Valter Filipe da Silva, a former central-bank governor, was charged with criminal association, embezzlement and money laundering. PHOTO: NATIONAL BANK OF ANGOLA

Mr. Filomeno dos Santos was dismissed from the sovereign-wealth fund this year. He hasn't commented since the charges were announced. In a previous statement to Angola state television, he said he was cooperating with the investigation.

Mr. Pontes denies the criminal charges. In an email statement through his lawyers, he said Angola's €24.85 million was voluntarily returned in June as part of negotiations to settle the U.K. civil case, and that he will "continue to

act in good faith in his commercial dealings.”

The former central-bank governor, Mr. da Silva, hasn’t commented publicly and couldn’t be reached for comment.

Messrs. Onderwater and Barbosa likely will keep their payments unless Mr. Pontes takes his own legal action against them, according to people familiar with the U.K. civil case, which remains open.

In June, several photos appeared on Mr. Barbosa’s Facebook page. One shows him puffing on a cigar, another grinning from a business-class cabin.

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