

## Portugal, Angola's kleptocracy luxury laundromat

*The lawsuit initiated in DCIAP against Banco Comercial Português by three Angolan NGOs demands full transparency about the supervisory activity of the Bank of Portugal*

**Lisbon, September 16<sup>th</sup> 2021** – Transparency International Portugal considers very serious the evidence of continued practice of money laundering involving Banco Comercial Português (BPC), demanding full transparency on the results of audits conducted by the Bank of Portugal (BdP) and the strengthening of the powers of banking supervision authorities in the European Union.

Three Angolan civil society organizations – Associação Mãos Livres, Fórum Regional de Desenvolvimento Universitário (FORDU) and OMUNGA – [made it known today in Luanda that they have filed a lawsuit with the Central Department of Criminal Investigation and Prosecution \(DCIAP\) asking for the investigation of suspicious transactions made by BCP](#) as part of a corruption and money laundering scheme involving executives of the Angolan oil company Sonangol, including the former vice president of Angola, Manuel Vicente, and SBM Offshore NV, a multinational oil services and construction company.

Investigations into SBN's business dealings in Angola have already resulted in bribery convictions in the United States and Switzerland, and the three NGOs consider that there is sufficient evidence of corruption and money laundering crimes damaging the public interest, both in Angola and Portugal.

"The complaint now filed against BCP, combined with everything we already know about Isabel dos Santos' EuroBIC, denounces a pattern that cannot be ignored: the Portuguese banking system was or still is used to launder illicit funds from Angola," says Karina Carvalho, Executive Director of TI Portugal. "The Bank of Portugal does not seem to be able to stop the luxury laundromat installed in our country, nor to effectively enforce national and EU legislation, which is why we can only appeal for all audits carried out on banking institutions and their results to be made public, so that we can understand exactly the extent of the problem, as well as the BdP's actions in preventing these crimes", she adds.

This case involving BCP also brings us back to the situation of EuroBic. In March 2020, following the outbreak of the [Luanda Leaks](#) scandal, the former Governor of the Bank of Portugal, Carlos Costa, was called by the Budget and Finance Committee, at the request of Left Block, to explain the flaws in EuroBic's money laundering prevention system. At that hearing he [clarified](#) that he had already requested information about the bank's duties in terms of preventing money laundering and the financing of terrorism (ML/FT), and that the Bank of Portugal had already begun several inspections of EuroBIC, the latest of which will be completed during the first quarter of 2020.

The former governor then said that suspicious transfers do not have to be reported to the Bank of Portugal but to the Financial Intelligence Unit (UIF) of the Judiciary Police and that "the obliged institutions themselves are the best placed to try to prevent them from being used for the purpose of carrying out operations that may be linked to ML/FT frameworks, It is up to the Bank of Portugal only to verify that banks operating in Portugal "are equipped with the means – material and human – and systems that allow them to comply with (and effectively fulfill) these duties, which the Bank of Portugal effectively does, according to a risk-based approach.

But Carlos Costa omitted at the time the results of the various inspections carried out since 2015 on EuroBIC and the measures taken by the Bank of Portugal to prevent its majority shareholder – a Politically Exposed Person (PPE), and therefore a high risk in the ML/FT framework – from continuing to use its bank in Portugal to channel and launder the proceeds illicitly withdrawn from Angola. Remember that the previous audits and fines to BCP were also shrouded in secrecy and anonymity, with the outcome that we learned today.

[TI Portugal wrote to Bank of Portugal](#) requesting the disclosure of the results of the assessments carried out to EuroBIC, after it was already known that this bank was included in the [FinCEN Files](#), an investigation based on Suspicious Activity Reports (SAR) sent to the Financial Crimes Enforcement Network (FinCEN) of the United States Treasury Department, proving that banks continue to move funds

flagged as suspicious or potentially fraudulent despite reporting to the supervisory authorities the strengthening of their internal controls of prevention of ML/FT.

The Bank of Portugal, now led by Mário Centeno, former Minister of Finance and former president of the Eurogroup, never gave an answer to TI Portugal's interpellation.

At European level, [the request by MEPs to the European Banking Authority](#) (EBA) to investigate the case of Isabel dos Santos and EuroBIC also remains apparently unanswered, as well as the recommendation to the European Central Bank (ECB) to withdraw the licenses of banks that violate the obligations in the fight against money laundering, regardless of the assessment of the responsible national authorities.

"We still don't know the results of the Bank of Portugal's investigations or how the serious failures already acknowledged even by the European Parliament are being resolved. And so Europe, and specifically the EBA, which is responsible for investigating the incorrect or insufficient application of European Union legislation by national authorities, should pay special attention to what is happening in Portugal, where we have a supervisory body that seems to have great difficulty in imposing on banks the adoption of enhanced measures of identification and diligence, especially when it comes to business relationships and operations involving high-risk third countries, such as Angola", considers Susana Coroado, president of TI Portugal.

Knowing the supervisory actions of Banco de Portugal and whether or not the duty to communicate to the FIU was fulfilled by the banking institutions is fundamental to evaluate the functioning of the ML/FT prevention system that Banco de Portugal supervises and ensure that banks operating in Portugal are prevented from facilitating illicit financial flows, as illustrated in the [Organized Crime and Corruption Reporting Project's investigation](#) on how the Angolan elite created a private network of banks to transfer money to Portugal and the European Union.

One of the banks listed in the OCCRP investigation is precisely BCP, [sentenced by the Bank of Portugal in 2019](#) to pay a fine of 50,000 euros for having flaws in internal procedures to prevent money laundering between 2008 and 2018, precisely the years in which Sonangol presented itself as one of the main business partners of the Portuguese bank. The Angolan state-owned company is still a major shareholder of BCP, with [the second largest stake](#) (19.49%), just behind the Chinese Fosun (29.93%).

BCP's management [claims](#) as a priority the fight against money laundering and that its relationship with Sonangol has never called into question its internal compliance mechanisms.

"Angolan NGOs have taken it upon themselves to act for the recovery of assets, supporting the efforts already underway in Angola to return stolen money to the people, who need it so badly to overcome the miserable conditions in which they live. We support their spirit of mission and are ready to collaborate in everything in our power to ensure that those in Portugal who facilitate the business of a corrupt elite and their money laundering schemes do not go unpunished," concludes Karina Carvalho.

### **About TI Portugal**

TI Portugal is the Portuguese chapter of Transparency International, a global anti-corruption coalition present in over 100 countries. Created in 2010, it is also accredited as a Non-Governmental Organization for Development, is the Contact Point in Portugal of the Civil Society Pillar of the Community of Democracies and a member of the Tax Justice Network.

Through research, information and awareness on the causes and consequences of corruption and bad governance and the development of practical tools for civic monitoring, its mission is to mobilize citizens and public and private organizations in favor of public transparency and integrity, on behalf of a more participatory and inclusive democracy.

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