



## Bank Scandal in Congo

Urgent Action Needed to Hold BGFI Bank DRC to Account for  
New “Terrorist Treasury” Revelations, Hezbollah Financier Links

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## Urgent Action Needed to Hold BGFIbank DRC to Account

A major bank in the Democratic Republic of Congo run and partly owned by members of President Joseph Kabila's family maintained accounts for companies with ties to terrorists despite repeated warnings from employees, other banks, and the U.S. government, according to documents reviewed by The Sentry. The Sentry reviewed and analyzed the documents in partnership with the Plateforme de Protection des Lanceurs d'Alerte en Afrique (PPLAAF), an NGO focused on protecting African whistleblowers.

The documents show that BGFIbank DRC maintained accounts of significant value in 2016 for companies owned or controlled by Congo Futur, a company placed under sanctions by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) for being owned or controlled by financiers of Hezbollah, a Lebanon-based terrorist group and political party. Notably, BGFIbank DRC is run by Francis Selemani Mtwale—President Joseph Kabila's brother—and, according to audit reports reviewed by The Sentry, has been 40 percent owned by Kabila's sister Gloria Mteyu at least as recently as December 31, 2015.<sup>1</sup> These new revelations—which build on and provide updated detail on The Sentry's report from October 2017—raise major questions about compliance efforts and adherence to basic anti-money laundering and counterterrorism financing practices.

Account ledgers from BGFIbank DRC reviewed by The Sentry and PPLAAF indicate that, in 2016, the bank maintained a total of 15 accounts for five reported subsidiaries of Congo Futur. The documents indicate that the following companies maintained accounts at BGFIbank DRC in 2016:

- **Atlantic Trading Company (ATCOM)**, described in a 2013 independent audit report commissioned by the Congolese government as a subsidiary of Congo Futur, held two accounts at BGFIbank DRC.<sup>2</sup>
- **Cotrefor**, a reported subsidiary of Congo Futur, maintained three accounts at BGFIbank DRC.<sup>3</sup>
- **Kin Trading**, a company described in correspondence between BGFIbank DRC employees and confirmed by OFAC as a Congo Futur subsidiary, held two accounts at the bank.<sup>4</sup>
- **Pacific Trading**, a company described in Congolese government documents as a subsidiary of Congo Futur, held two accounts at BGFIbank DRC.<sup>5</sup>
- **Glory Group**, a company described by a Congolese government research center and in several Congolese media reports as a successor entity of Congo Futur, held six accounts at BGFIbank DRC.<sup>6</sup>

Far from being insignificant clients, the documents indicate that these subsidiaries were among the bank's largest account holders; several reported Congo Futur subsidiaries, including Glory Group and Atlantic Trading Company, were identified as among the top account holders by value at BGFIbank DRC in June 2016.

Congo Futur was designated by OFAC on December 9, 2010 pursuant to Executive Order 13224—the principal authority for counterterrorism sanctions—for being owned or controlled by Kassim Tajideen, who was also designated for providing support to Hezbollah.<sup>7</sup> The Sentry reported in October 2017 that the internal bank documents indicated that several Congo Futur subsidiaries used BGFIbank DRC to operate accounts and make wire transfers in 2011—after both Congo Futur and Kassim Tajideen were designated as Specially Designated Global Terrorists—despite several warnings from bank employees that doing so could violate U.S. sanctions. The documents indicated that, despite concerns raised to Selemani, BGFIbank DRC went so far as to (unsuccessfully) request that certain transactions be unblocked by OFAC after other banks refused to process them.<sup>8</sup>



Urgent action is needed to investigate these banking relationships and to protect the integrity of the U.S. financial system.

1. **Anti-Money Laundering/Counter-Threat Finance Actions.** The U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN) should investigate the banking relationships described in these new documents and, if warranted, issue a finding that BGFIbank DRC is a foreign bank of primary money laundering concern and a notice of proposed rulemaking pursuant to Section 311 of the USA PATRIOT Act, seeking to prohibit the opening or maintaining of a correspondent account in the United States for, or on behalf of BGFIbank DRC. In addition, financial intelligence units (FIUs) in Europe should immediately investigate the conduct described in this report and, if warranted, issue advisories to banks and other financial institutions. Should Congress pass the Hizballah International Financing Prevention Amendments Act, the Treasury Department will have additional authorities to use in imposing pressures related to BGFIbank DRC and the Tajideen network.
2. **Bank Due Diligence/De-Risking.** U.S. and overseas financial institutions that hold correspondent banking relationships with BGFIbank DRC and/or process transactions related to this bank should carefully consider the compliance risks presented in this case, and take appropriate actions to ensure that they are not involved in transactions that expose the U.S. financial system to illicit activity, such as money laundering, terrorist financing, and sanctions evasion.
3. **Targeted Sanctions.** The United States and European Union should urgently impose and implement three sets of targeted actions:
  - OFAC should investigate and act pursuant to Executive Order 13224 to designate any officials at BGFIbank DRC who it identifies as having knowingly undertaken transactions on behalf of Congo Futur, as well as to designate any other entities in the Congo Futur network that the United States identifies as being owned and/or controlled by the company.
  - 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 the Democratic Republic of Congo, to designate any senior members of the regime, including financial advisors, Kabila family members, and their companies, that the United States and the European Union identify as having engaged in sanctionable activities.
  - The U.S. government should sanction those 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."
4. **Criminal Investigations.** The U.S. Department of Justice should expand its investigation into the Tajideen network to evaluate the potential criminal liability of BGFIbank DRC leadership for knowingly doing business with Hezbollah financiers pursuant to the Patriot Act and the U.S. International Emergency Economic Powers Act.
5. **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 formed in the country to improve corporate transparency, public oversight, and accountability.



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<sup>1</sup> Gloria Mteyu is listed as a 40 percent shareholder in the PwC (PricewaterhouseCoopers) audits of BGFI Bank DRC from March 17, 2011 and December 31, 2015 that were reviewed by The Sentry. She denied holding shares in BGFI 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-body-said-to-pay-millions-to-kabila-linked-bank>. According to the Congo Research Group and the Pulitzer Center on Crisis Reporting, “Selemani became an adopted son [of late President Laurent-Désiré Kabila] after his father, one of Laurent-Désiré’s rebel comrades, was killed.” Congo Research Group and Pulitzer Center on Crisis Reporting, “All the President’s Wealth: The Kabila Family Business,” p. 7 (July 2017), available at <https://allthewealth.congoresearchgroup.org/dist/assets/all-the-presidents-wealth-ENG.pdf>. In its 2017 report, “All the President’s Wealth,” the Congo Research Group reports, “BGFI is a Gabonese bank group whose Congolese arm is 40% owned by President Kabila’s sister, Gloria Mteyu...” Congo Research Group and Pulitzer Center on Crisis Reporting, “All the President’s Wealth: The Kabila Family Business,” July 2017.

<sup>2</sup> An audit report conducted in 2013 on behalf of the Congolese Ministry of Trade found that Atlantic Trading, a trading firm reported to be a subsidiary of Congo Futur. See: MENAA Finance, “Audit des Prix et du Commerce Triangulaire: Rapport Phase 2,” Audit done for the DRC Ministry of Trade and Economy, June 13, 2013.

<sup>3</sup> Reports by Greenpeace and Global Witness about Congo’s logging sector describe the links between Cotrefor (previously named Trans-M) and Congo Futur. In response to questions from The Sentry, a Cotrefor representative confirmed that it has a longstanding relationship with BGFI Bank DRC. A Cotrefor representative stated that “Cotrefor is [an] absolutely independent company not linked to Congo Futur and Kin Trading [same] or any other company.” Cotrefor’s denials are consistent with previous statements made by the company in response to other organizations’ reports about the company’s activities in Congo’s logging sector and its links to Congo Futur. According to a 2017 report by Global Witness, however: “After the change of name, Cotrefor continued to work in the same logging concessions using the same permits and contracts that were issued to Trans-M by the Congolese government. The company has remained in the same offices that were occupied by Trans-M — on the third floor of the Congo Futur building on the Boulevard 30 Juin in Kinshasa. Cotrefor has continued to use the same company registration number as that used by Trans-M. In this light, there are compelling grounds to believe that Congo Futur, to all intents and purposes, continues to control Cotrefor just as it did Trans-M before it.” See: Global Witness, “Unsanctioned Trade: How U.S. Purchases of Rainforest Timber Risk Breaking Terror Sanctions” (London: February 2017), available at <https://www.globalwitness.org/en-gb/campaigns/forests/usconsumers-risk-funding-hezbollah/>; Greenpeace, “Con in the Congo: The Moral Bankruptcy of the World Bank’s Industrial Logging Model,” p. 34 (2010), available at <http://www.greenpeace.org/wp-content/uploads/legacy/Global/usa/report/2010/2/carvingup-the-congo-part-3.pdf>.

<sup>4</sup> BGFI Bank employees, a Congo Futur business partner, the audit report conducted by MENAA Finance, and a letter from the Office of Foreign Assets Control to BGFI Bank DRC refer to Kin Trading as a subsidiary or sister company of Congo Futur, and a bill of lading dated June 1, 2011, refers to Kin Trading as “CONGO FUTURE COMPANY KIN TRADING SPRL.” See: <https://panjiva.com/Congo-Future-Co/23934738>.

<sup>5</sup> An audit report conducted in 2013 on behalf of the Congolese Ministry of Trade describes Pacific Trading as a member of Congo Futur Group. See: MENAA Finance, “Audit des Prix et du Commerce Triangulaire: Rapport Phase 2,” Audit done for the DRC Ministry of Trade and Economy, June 13, 2013. Global Witness describes Pacific Trading as a Congo Futur subsidiary, citing the Ministry of Trade and Economy audit and shipping records obtained from Panjiva. See: Global Witness, “Unsanctioned Trade: How U.S. Purchases of Rainforest Timber Risk Breaking Terror Sanctions” (London: February 2017), available at: <https://www.globalwitness.org/en-gb/campaigns/forests/usconsumers-risk-funding-hezbollah/>.

<sup>6</sup> La Cellule d’analyses des indicateurs de développement (CAID), a Congolese government entity affiliated with the Prime Minister’s office that compiles and publishes economic data, referred to Glory Group as “Ex-Congo Futur” and “owned by Ahmed Tajideen,” (a brother of Kassim Tajideen who claimed to be the owner of Congo Futur) further describing the company as a principle economic operator in Bumba, a town in



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Mongala province, that “specializes in the sale of various products for household consumption and construction tools.” See: La Cellule d’analyses des indicateurs de développement (CAID), “Territoire de Bumba—Situation économique,” March 31, 2017, available at: <https://www.caid.cd/index.php/donnees-par-province-administrative/province-de-mongala/territoire-de-bumba/?secteur=fiche>; In an article about a robbery of a Glory Group compound in Matadi, a town near Congo’s western coast, La Tempete de Tropique, a Congolese newspaper, described the company as “Ex-Congo Futur” and stated that those who were robbed are “often accused of keeping large sums of money at home instead of local financial institutions.” See: “Insécurité à Matadi : un policier abattu par des bandits cagoulés,” *La Tempete de Tropique*, available at: <https://7sur7.cd/news/2017/02/insecurite-a-matadi-un-policier-abattu-par-des-bandits-cagoules/#itILGkb0OyLBpG13.99>; According to an October 2015 report published by the Agence Congolaise de Presse, William Kazumba Mayombo, a provincial official from Kasai-Occidental reported that Congo Futur “continue[d] operating in Kananga [a city in the region] under the insignia ‘Glory Group’ after the alleged closure of Congo Future.” According to Mayombo, “This strategy...was developed by its authors to escape the payment of obligations due to the State,” stating that Congo Futur owed “100 mille francs” in taxes to provincial authorities. See: “L’exécutif de l’ex Kasai-Occidental déterminé à recouvrer 100 millions de FC auprès de « Congo Futur,” Agence Congolaise de Presse, October 22, 2015, available at: <http://acpcongo.com/acp/lexecutif-de-lex-kasai-occidental-determine-a-recouvrer-100-millions-de-fc-aupres-de-congo-futur/>. (N.B.: the original article contains a discrepancy in amounts owed between the title and text; the discrepancy is not material for purposes of this Alert).

<sup>7</sup> U.S. Treasury Department Office of Foreign Assets Control, “Treasury Targets Hezbollah Financial Network,” Press release, December 9, 2010, available at: <https://www.treasury.gov/press-center/pressreleases/Pages/tg997.aspx>.

<sup>8</sup> The Sentry, “The Terrorists’ Treasury: How a Bank Linked to Congo’s President Enabled Hezbollah Financiers to Bust U.S. Sanctions,” October 2017, available at: [https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury\\_TheSentry\\_October2017\\_final.pdf](https://cdn.thesentry.org/wp-content/uploads/2016/09/TerroristsTreasury_TheSentry_October2017_final.pdf).

