



# New evidence ties BSGR to company behind Guinea mine bribery

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- ***Beny Steinmetz Group Resources director set up company that promised bribes***
- ***BSGR misled with claims Pentler Holdings was set up independently***
- ***Representatives wired payments to president's wife***
- ***Global Witness revealed in April that BSGR and Pentler signed corrupt contracts***

A director of Beny Steinmetz Group Resources set up a company that signed corrupt deals with the wife of an African president in a multi-billion-dollar mine scandal, Global Witness has learned.

Pentler Holdings Ltd, an offshore company that held shares in BSGR's mining interests in Guinea, promised millions of dollars in bribes, according to contracts seen by Global Witness. BSGR says Pentler was established independently. New information shows that claim is misleading.

In April Global Witness revealed that BSGR and Pentler promised Mamadie Touré, a wife of former Guinean President Lansana Conté, millions of dollars to help obtain rights to Simandou – a remote mountain range that may be the world's largest iron ore reserve. In Guinea, where nearly half the population live on less than a dollar a day, ordinary people have yet to benefit from that wealth.<sup>1</sup>

In 2008, the Beny Steinmetz Group was already a major player in the global diamonds trade—the biggest buyer of rough diamonds from De Beers<sup>2</sup> and a leading supplier to New York luxury jeweller Tiffany & Co. But in mining, BSGR was still a junior dwarfed by giants like Rio Tinto and Vale. Then it pulled off the seemingly impossible: it acquired rights to Simandou for nothing and the next year sold half of them on for \$2.5 billion—more than twice Guinea's entire state budget for 2010. The Sunday Times called it “the deal of the century”.<sup>3</sup> A US grand jury is investigating.

The bribes were detailed in the contracts signed by both Pentler and BSGR. Those documents are also cited extensively in US court records.<sup>4</sup> In one of the contracts, Mamadie Touré signs to confirm receipt of \$2.4 million.

BSGR's former representative in Guinea is under arrest in the US for trying to destroy the

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documents and obstructing a grand jury investigation. BSGR argues that the contracts are forged.<sup>5</sup> It says the corruption allegations are “entirely baseless” and that it has always acted “to the highest standards of corporate governance”.

### Intimate links

BSGR says Pentler was established independently by three people who acted for BSGR in Guinea: Frédéric Cilins, Michael Noy and Avraham Lev Ran.<sup>6</sup> Global Witness has seen evidence that Pentler in fact belonged to Onyx Financial Advisors, a company intimately linked to the Beny Steinmetz Group.

When Pentler was set up in the British Virgin Islands on 28 October 2005, all 50,000 of its shares were held by Onyx Financial Advisers, according to Pentler’s certificate of authorised capital, seen by Global Witness. The signature on the certificate is that of Sandra Merloni-Horemans, a director of both Onyx and BSGR.<sup>7</sup>

The Onyx name has been used by the Beny Steinmetz Group in more than one country – the UK, Switzerland and the British Virgin Islands and possibly others – making it unclear which of several entities founded Pentler.<sup>8</sup> What is clear is the link with BSGR.

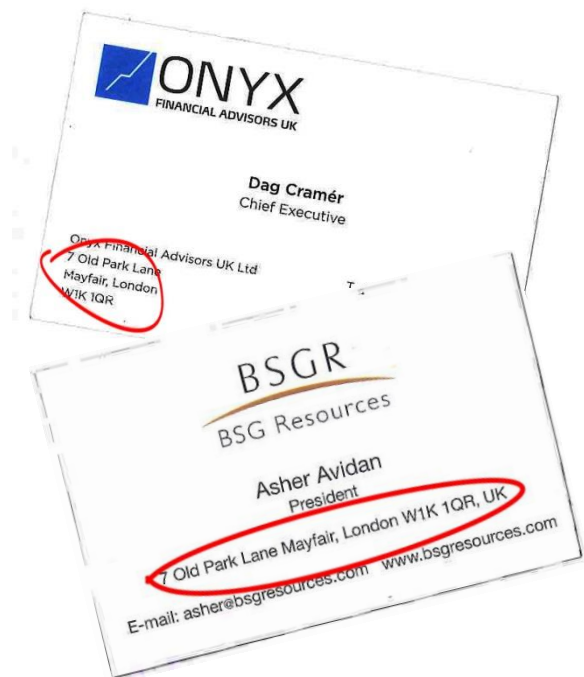
Onyx’s chief executive officer, Dag Cramer, is also a BSGR director and heads two other Steinmetz group companies.<sup>9</sup> Onyx in London was originally incorporated in 2005 as BSG Management Services Ltd before changing name in 2011.<sup>10</sup>

Merloni-Horemans is also a director of Onyx (UK)’s Geneva-based parent company. US stock exchange

filings show that Nir Livnat, executive chairman of the Beny Steinmetz Group, can be contacted care of Onyx in Geneva.<sup>11</sup> The same document also gives Onyx, Geneva as the contact address for Steinmetz’s brother, Daniel, who owns a stake in the Steinmetz Group.<sup>12</sup>

### The Mayfair Set

In London, Onyx Financial Advisors manages investments for Beny Steinmetz Group companies<sup>13</sup> and shares an address with BSGR.<sup>14</sup> That Park Lane office is on the business cards of Cramer and Asher Avidan, BSGR’s president – a sign that the location is central to both companies’ operations.



Frédéric Cilins represented BSGR in Guinea from 2005 as it sought rights to Simandou.<sup>15</sup> In July 2008 the government confiscated half of the concession from Australian mining giant Rio Tinto. Five months later, the rights were handed to BSGR.

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Contracts dated between 2006 and 2010 show Pentler promised Touré cash and shares to advance the deal.<sup>16</sup>

In April Cilins was arrested in an FBI sting after trying to pay Touré to destroy her contracts with Pentler and BSGR Guinea, according to a US indictment.<sup>17</sup> His partners, Noy and Lev Ran, also feature in the court documents: An FBI wiretap recorded Cilins discussing his progress with Noy, while both Lev Ran and Cilins handled payments, the court heard.

Noy declined to comment when contacted by Global Witness through a third party. Lev Ran did not respond to written requests for comment. There are no charges against Noy and Lev Ran.

FBI surveillance transcripts show Cilins tried to persuade Touré to sign a document saying she had never taken bribes, the prosecution told the court. Bank records show both Cilins and Lev Ran personally transferred hundreds of thousands of dollars to her, it said. Cilins wrote checks from an Israeli bank account with a balance of more than

\$1 million,<sup>18</sup> while Lev Ran wired funds to Touré.<sup>19</sup> “We have never denied there were wire transfers to Mamadie Touré,” Cilins’ defence attorney told the court on 3 July, adding that the payments were for legitimate business.<sup>20</sup>

“The whole case is slander,” Noy was quoted as saying in a 30 June 2013 interview with Ynet News, the website of Israel’s Yedioth Ahronoth newspaper. “It’s all nonsense, but unfortunately there’s a legal procedure and I can’t respond to everything.”

### **Power of attorney**

BSGR says Cilins, Noy and Lev Ran set up Pentler on their own to formalise the trio’s existing activities in Guinea.

“Lacking a permanent presence in Guinea, BSGR sought to work with Michael Noy, Avraham Lev Ran and Frédéric Cilins, who had extensive business operations in Guinea, which they subsequently established as Pentler Holdings,” BSGR said in a 9 May statement on its website.<sup>21</sup>

### **The Mysterious Margali**

Pentler’s certificate of authorised capital, an incorporation document that details the company’s shareholders, is stamped by Margali Management as the company’s sole director. It is unclear who owns Margali because the company is registered in the opaque British Virgin Islands, where that information is secret. It has the same BVI address as Mossack Fonseca & Co, the services provider that incorporated both Pentler and Onyx Financial Advisors Ltd (BVI). Mossack Fonseca is “believed to be an industry leader” in creating anonymous offshore firms, The Economist wrote in April 2012.<sup>22</sup>

Margali also assisted in BSGR’s high-profile deals with New York luxury jeweller Tiffany & Co. In March 2011, Tiffany lent \$50 million to Koidu Holdings SA, a Beny Steinmetz Group company that operates a diamond mine in Sierra Leone. Margali signed the loan agreement as a director of Koidu. BSGR guaranteed the loan. The contact for both Koidu and BSGR is Sandra Merloni-Horemans and the address given is Onyx’s office in Geneva.<sup>23</sup>

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*BSGR President Asher Avidan signed contracts with Mamadie Touré, promising the former Guinean president's wife huge bribes to help obtain mining rights. On the right is Mamadie Touré's brother, Ibrahima Sory Touré – also a top BSGR official.*

Avraham Lev Ran was one of Pentler's founders, according to BSGR. That should have given him power to act for the company. But Global Witness has learned that Lev Ran was not authorised to act on Pentler's behalf until 13 February 2006 – three and a half months after it was created – when Pentler granted him power of attorney. Merloni-Horemans, the Onyx and BSGR director, signed the authorisation.

Just a week later, that authority was used to transfer 33 per cent of Pentler to Mamadie Touré.<sup>24</sup> The following month, Pentler acquired 17.65 per cent of BSGR's Simandou holding. That would have given Touré a 5.9 per cent stake in a mine estimated to be worth billions of dollars. (It is unclear if this contract was implemented: a later

contract, signed by BSGR in June 2007, puts Touré's stake at 5 per cent.)

#### **Unanswered questions**

While confirming that he travelled to the US to obtain the contracts, Cilins said in his defence that they were forgeries and that Touré was using them for blackmail.<sup>25</sup> His attorney compared Cilins' actions to those of a restaurant owner who pays a small settlement to settle a customer's false claim of slipping on his floor, rather than face a costly legal battle.<sup>26</sup>

BSGR also says the contracts are not genuine. "Our client (and the relevant employees and individuals involved) has informed us that the documents which you allege are signed by our client are in fact forged," wrote Skadden, Arps, Slate, Meagher &

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Flom, a London law firm acting for BSGR, in a 4 June letter to the Guinean mining committee investigating the Simandou deals. “Versions of the alleged documents have been used in previous attempts to blackmail our client in connection with false allegations of bribery and corruption.”<sup>27</sup>

Global Witness sent questions about Pentler to BSGR and Rory Godson, a former business editor of the Sunday Times whose London firm Powerscourt represents BSGR (see endnotes).<sup>28</sup>

Both BSGR and Powerscourt declined to answer the questions. The only response was a threatening letter from BSGR’s solicitors, Mishcon de Reya, which appeared to acknowledge the relationship between Onyx and Pentler.

Global Witness’s questions “relate in part to confidential information that could not have been obtained except direct from one or two Onyx employees or from its computer systems,” Mishcon lawyer James Libson wrote on 26 July. “Please explain, as a matter of urgency, how you obtained information about Onyx and any connection with Pentler Holdings Limited and Margali Management.”

### **Spotlight on Beny Steinmetz**

These new revelations add to pressure on BSGR to explain its dealings over Simandou, including its involvement with Pentler. At the same time, focus is also sharpening on Beny Steinmetz himself.

While BSGR has said that Steinmetz is just a consultant to the company,<sup>29</sup> he and his family are the only publicly known beneficiaries of trusts that own the Beny Steinmetz Group.<sup>30</sup> Ehud Olmert, a

former Israeli prime minister reported to have lobbied for BSGR,<sup>31</sup> described Steinmetz as a “one-man show”, according to The New Yorker.<sup>32</sup>

Cilins’ indictment details his telephone call to a “co-conspirator”, identified in court documents only as CC-1. The New Yorker and two other publications – Israel’s Ynet News and Main Justice, a US website – have now identified that co-conspirator as Steinmetz.<sup>33</sup> This confirms information given to Global Witness by a person with knowledge of the investigation.

In the text of a telephone call submitted to the court by the FBI, Cilins told Touré how CC-1 personally ordered him to destroy the contracts:

“I went specially to see him [CC-1],” Cilins said. “I told him. . . [Mamadie Touré] will never betray you – [Touré] will never give away any documents.”

According to Cilins, CC-1 said: “I want you to destroy these documents...I want you to tell me, ‘I saw that the documents were destroyed; it’s over, there are no more documents.’”<sup>34</sup>

The US state attorney has made clear that the grand jury is interested in Steinmetz personally, as well as BSGR.

A grand jury subpoena served on Touré on 2 February ordered her to hand over “any and all documents ... reflecting or otherwise concerning: the Simandou concession, **Beny Steinmetz**, BSG Resources Ltd. and related entities” (Emphasis added).<sup>35</sup>

“BSGR operates in a fully transparent manner, working in partnership with host governments at

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both national and local level,” BSGR said in its 9 May press release. “Good governance is intrinsic to its Group mission.”

Guineans have long been trapped in poverty as elites siphon off the nation’s wealth. Global Witness has demonstrated clear evidence of

corruption over Simandou, one of Africa’s most valuable assets. BSGR’s stated commitment to transparency means it now needs to explain its ties to the offshore company at the centre of the storm.

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#### Notes to editors:

1. For Global Witness’s previous statements on BSGR and Simandou, see:

1. Damning video and contracts show BSGR was lying in Guinea mining scandal  
<http://www.globalwitness.org/library/damning-video-and-contracts-show-bsgr-was-lying-guinea-mining-scandal> (19 April 2013)
2. Corruption arrest in US puts Beny Steinmetz Group Resources in the frame  
<http://www.globalwitness.org/library/corruption-arrest-us-puts-beny-steinmetz-group-resources-frame> (16 April 2013)
3. Beny Steinmetz Group Resources must publicly address questions over Guinea mining concession  
<http://www.globalwitness.org/library/beny-steinmetz-group-resources-must-publicly-address-questions-over-guinea-mining-concession> (9 November 2012)

2. Pentler Holdings Ltd was incorporated on 28<sup>th</sup> February 2005 in the British Virgin Islands. It is currently owned by BSGR, the mining company said in a 9 May statement. BSGR says the company was set up by its advisers Frédéric Cilins, Michael Noy and Avraham Lev Ran, after which “Pentler took a participation of 17.65 per cent equity stake in BSGR Guinea Ltd BVI in March 2006. This arrangement ended when BSGR re-acquired the entire equity from Pentler Holdings in March 2008.”

3. Global Witness’s questions to BSGR and Powerscourt:

1. Is Beny Steinmetz, as an individual, in any way a subject of investigations surrounding the court case United States of America v. Frédéric Cilins (Case 1:13-cr-00315-KMW)?
2. Publicly available documents pertaining to the case allege transfers by Avraham Lev Ran to entities linked with Mamadie Toure. Does BSGR acknowledge that these payments took place?
3. Were BSGR or any of its employees or advisers aware of these payments?
4. If so, were the payments in any way connected with BSGR’s activities in Guinea?
5. A 9th May press release by BSGR states: “Lacking a permanent presence in Guinea, BSGR sought to work with Michael Noy, Avraham Lev Ran and Frédéric Cilins, who had extensive business operations

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in Guinea, which they subsequently established as Pentler Holdings.” Did BSGR have any involvement in the establishment of Pentler Holdings? If so, please describe this involvement in as much detail as possible.

6.
  - a. How much did Pentler pay for its 17.65 per cent of BSGR Guinea Ltd. BVI?
  - b. Did the agreement for the transfer include provision to transfer part of this stake to Mamadie Toure?
  - c. Was a transfer to Mamadie Toure or her companies in any way envisaged at the time of the transfer?
7. Did Matinda, or any other entity related to Mamadie Toure, at any time receive a stake in Pentler, or a stake in Simandou in any other form?
8. How much did BSGR pay to reacquire Pentler’s equity in 2010?
9. Could BSGR provide full details of the all beneficiaries of Pentler, past and present?

On 11 July 2013, Global Witness sent additional questions to BSGR, Powerscourt and Onyx:

1. What is the Beny Steinmetz Group’s relationship with Onyx Financial Advisors?
2. Is Onyx Financial Advisors a Beny Steinmetz Group company?
3. Who is/are the beneficial owner(s) of Onyx Financial Advisors SA (Switzerland)?
4. Who is/are the beneficial owner(s) of Onyx Financial Advisors (BVI)?
5. Aside from the Onyx Financial Advisors registered in the UK, British Virgin Islands and Switzerland, are there any other companies by that name in any jurisdiction?
6. Which, if any, of these Onyx Financial Advisors are owned by or associated with the Beny Steinmetz Group?
7. Did Onyx Financial Advisors have any involvement in the establishment of Pentler Holdings Ltd?
8. Was Sandra Merloni-Horemans involved in establishing Pentler Holdings Ltd?
9. Is Margali Management part of, or is it any way connected with, the Beny Steinmetz Group?

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## Endnotes

<sup>1</sup> Source: United Nations Millenium Development Goals Indicators <http://bit.ly/w1s5gU>

<sup>2</sup> “Today, Steinmetz is the largest buyer of rough diamonds from De Beers, and one of the major suppliers of Tiffany & Company.” The New Yorker, “Buried Secrets: How an Israeli billionaire wrested control of one of Africa’s biggest prizes”, by Patrick Radden Keefe, July 8, 2013: <http://nyr.kr/13gLGsY> (last accessed 7 August 2013). See also Forbes.com, “The World’s Billionaires #488: Beny Steinmetz” <http://onforb.es/19torxq> (last accessed 7 August 2013) and Diamond Certification Laboratory of Australia, “Sierra Leone diamond miner set for HK listing”, 22 January 2012 <http://dclacertificationlaboratory.blogspot.co.uk/2012/01/sierra-leone-diamond-miner-set-for-hk.html> (last accessed 7 August 2013)

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<sup>3</sup> The Sunday Times, “Deal of the Century”, by Danny Fortson, 6 May 2012. The article says: “a year and a half after snatching it [Simandou] up, Steinmetz sold a 51% stake of the concession — which he received for free — to Vale for \$2.5 billion in August 2010.” The Financial Times also reported that “BSGR had paid nothing for its permits at Simandou, as is standard practice in the industry”; see “What lies beneath”, 7 November 2012, by Tom Burgis, Helen Thomas and Misha Glenny; <http://www.ft.com/cms/s/0/db0642da-2827-11e2-a335-00144feabdc0.html#axzz2Bd1yygZ8> See also Global Witness’s 9 November 2012 2013 statement: <http://www.globalwitness.org/library/beny-steinmetz-group-resources-must-publicly-address-questions-over-guinea-mining-concession>.

<sup>4</sup> The contracts are cited in *United States of America v. Frédéric Cilins*, United States District Court, Southern District of New York, document 13, filed 6 June 2013. The testimony was given on 15 April (see Global Witness 16 April 2013 statement: <http://www.globalwitness.org/library/corruption-arrest-us-puts-beny-steinmetz-group-resources-frame>).

<sup>5</sup> See quotation from lawyers’ letter later in article. Also see, for example, BSGR’s 9 May 2013 statement, “Response to BSGR Guinea press speculation”, posted here <http://www.bsgresources.com/media> and last retrieved by Global Witness on 7 August 2013: “BSGR has always, and will continue to act to the highest standards of Corporate Governance in all 12 countries in which it operates. In all of these countries BSGR operates in a fully transparent manner, working in partnership with host governments at both national and local level. Good governance is intrinsic to its Group mission of balancing business success with its responsibilities to the communities in which it operates and the environment that supports them. BSGR is confident that its activities and position in Guinea will be fully vindicated...Against the background of the exceptional commercial success of BSGR in Guinea and the subsequent media exposure surrounding the deal, BSGR became the victim of numerous extortion attempts by individuals who were seeking economic gains. The modus operandi of these attempts involved at times the use of forged documentation, blackmail and harassment.” Questioning the authenticity of the contracts is also an argument used by Cilins in his defence: See *United States of America v. Frédéric Cilins*, document 16, filed 13 June 2013. A defence submission filed on July 8 2013 (document 32) included an affidavit from a forensic document analyst, Albert H. Lyter III, examining “inconsistencies or irregularities that would cause concern regarding the validity or veracity” of the contracts. Lyter makes observations that are “sufficient to question the validity and veracity of the examined documents, including: the presence of multiple type fonts on several documents, noting that “a simple addition of material not originally present on the document must be considered”; “several documents contained images of the same signature... the presence of the same signature on multiple documents is an indication of manipulation of the documents”; “several signatures and/or signature blocks... appear to be misaligned in relationship to the remaining text of the documents. This may be due to the addition of material via manipulation of the document”. Lyter said that “a full and complete examination of the original documents using all of the requisite tools and methods of examination available would be the appropriate next step”.

<sup>6</sup> See BSGR’s 9 May Statement

<sup>7</sup> According to filings from UK Companies House [ADD DOC LINK], retrieved by Global Witness on 8 July 2013, Sandra Merloni-Horemans is both a director and company secretary of Onyx Financial Advisors Ltd (see filing of 20 May 2005 for BSG Management Services Ltd (“First directors and secretary and intended situation of registered office”). According to the certificate of incorporation, Onyx was incorporated by Dag Cramer on 20 May 2005 as BSG Management Services Limited. Companies House records show that the company changed

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its named to Onyx Financial Advisors on 7 March 2011. Filings in Geneva for Onyx's parent company, Onyx Financial Advisors SA, retrieved the same day, also list Merloni-Horemans as a director.

<sup>8</sup> See the following links for incorporation documents from the UK, Switzerland and the British Virgin Islands  
UK: <http://bit.ly/14LY5Vz>  
BVI: <http://bit.ly/1eK1GSR>  
Swiss: <http://bit.ly/1bvP4yT>

<sup>9</sup> For Dag Cramer, see "Meet the team" on the BSGR website:  
<http://www.bsgcapitalmarkets.com/about/meet-the-team.aspx> (last accessed 12 July 2013). It reads: "Dag Cramer is the CEO of BSG Capital Markets and BSG Management Services... In 2003 he joined Onyx SA as CEO. Onyx provides management and administrative services to BSG Investments." The website also has information regarding Sandra Merloni-Horemans, see "Meet the board" on BSGR's website:  
<http://www.bsgresources.com/about/meet-the-board> (last accessed 12 July 2013). It says: "She joined BSGR in 1989 and has extensive experience in natural resource projects and capital market operations."  
Dag Cramer: <http://bit.ly/13kDvdX>  
Sandra Merloni-Horemans: <http://bit.ly/1cChMSR>

<sup>10</sup> See the following links for incorporation documents from the UK, showing the name change [LINK HERE]

<sup>11</sup> <http://www.sec.gov/Archives/edgar/data/1292026/000120919105009569/xsIF345X02/doc3.xml>

<sup>12</sup> "Brother and partner of diamond billionaire Benny Steinmetz, Daniel Steinmetz, with his son Raz, owns a stake in the Steinmetz Group." [http://www.forbes.com/lists/2006/81/biz\\_06israel\\_Daniel-Raz-Steinmetz\\_4QAX.html](http://www.forbes.com/lists/2006/81/biz_06israel_Daniel-Raz-Steinmetz_4QAX.html)

<sup>13</sup> Onyx is BSGR's "management and administration company", according to particulars of claim filed by BSGR with the High Court in London in April 2013. Onyx also provides management and administrative services to BSG Investments, according to Dag Cramer's profile on the website of BSG Capital Markets  
Screenshot: <http://bit.ly/1cChMSR>  
<http://www.bsgcapitalmarkets.com/about/meet-the-team.aspx>

<sup>14</sup> See the following links for screenshots of the Onyx and BSGR contact pages, accessed by Global Witness on 8 July 2013

Screenshot of BSGR contact page: <http://bit.ly/15EUP7I>

Screenshot of Onyx contact page: <http://bit.ly/1a5cKw8>

The BSGR contacts page is <http://www.bsgresources.com/contact-us> and the address for Onyx Financial Advisers is <http://www.onyxfa.com/contact-us/> (last accessed 12 July 2013).

<sup>15</sup> "M Cilins avait travaillé pendant des années en Afrique quand en 2005, il a informé BSGR du potentiel que pouvait renfermer la Guinée en termes de projets portant sur les télécommunications et les ressources minérales," BSGR wrote on 26 December to Guinea's Mining Review Committee (letter seen by Global Witness). "M Cilins a assisté ou représenté BSGR au cours de réunions avec le Ministre des Mines et le Centre de Promotion et de Développement Miniers." (Translation: Mr Cilins had worked for years in Africa when, in 2005, he informed BSGR of the potential that Guinea could have in terms of telecommunications and mineral

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resource projects. Mr Cilins assisted or represented BSGR during meetings with the Minister of Mines and the Centre de Promotion et de Développement Miniers.)

<sup>16</sup> Contracts seen by Global Witness.

<sup>17</sup> See Global Witness statement of 19 April: <http://www.globalwitness.org/library/damning-video-and-contracts-show-bsgr-was-lying-guinea-mining-scandal>.

<sup>18</sup> *United States of America v. Frederic Cilins*, court transcript 3 July 2013: Prosecution: "...he told the Pretrial Services officer that the only account that he has is a bank account in which he owns – he has 200 euros in a checking account, that he doesn't have another savings account. We now find that he does have other accounts, he has an account in – a Wachovia Bank account, PHA Investment Account, that's I believe what defense counsel was referring to, that's the account to which \$150,000 flowed from his other bank Leumi account into that account and then out from that account in two checks in 2010 to the cooperating witness..." [...] "But what I think your Honor knows – what we know objectively is that we have a Bank Leumi account, which we don't have the details on, that's where the 150,000 came that went to the cooperating witness..." [...] Defence: "So you Honor, as I said earlier, I was aware that he had had – the government has produced the Bank Leumi account. I was aware that he had a Bank Leumi account. Mr. Cilins has indicated to Mr. Lehr while we were – while this was going on that the last time he knew there was money in the Bank Leumi account, there was over a million dollars in that Bank Leumi account. He does not know what is in it now, he has not had access to it for months, but the last there was a money in a Bank Leumi account it was a bank sitting there for monies that he dealt with business." [...] Prosecution: "Although defense counsel sort of breezed by it, now it seems that the defendant has admitted that's a bank account at Bank Leumi which at last he knew had a million dollars or perhaps more in it. And that is in contradiction to what he told Pretrial Services that the only account he had was a checking account with 200 euros. So I mean that's just another example of the misstatements the defendant has made."

<sup>19</sup> *United States of America v. Frédéric Cilins*, document 13: "Bank records also show that this same Avraham Lev Ran – a co-owner of the Surf Road LLCs – transferred \$149,970 and \$99,970 on July 21 and August 5, 2010, respectively, from an account in Israel to an account in Florida that belonged to the CW [Mamadie Touré]." *United States of America v. Frédéric Cilins*, transcript 3 July 2013: "...bank records show [...] that the defendant transferred two checks in in 2010, one for roughly 100,000, one for 50,000, from himself to the cooperating witness [Mamadie Touré]".

<sup>20</sup> *United States of America v. Frédéric Cilins*, transcript 3 July 2013: Cilins defence attorney, Michelle Smith, told the court: "Your Honor, I would like to begin my reply beginning back with Avraham Lev Ran and the wire transfers to Mamadie Touré. Your Honor, we have never denied there were wire transfers to Mamadie Touré, the government's informant in this case, and indeed the documents that we believe the government have in its possession on Mr. Cilins' thumb drive and computers indicate they conducted legitimate business over the years, including chicken, a school in Guinea, the purchase of computers and other documents. And your Honor these span back to 2007, 2008, 2010, 2011. There may have been some business in 2012 [...] For example I have a document here for \$113,000 worth of computer equipment, another 97,000, the building of a school in Conakry, the building of a school on another piece of land, on and on, legitimate business between these parties going back for years."

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<sup>21</sup> <http://www.bsgresources.com/media> (last accessed 7 August 2013). Screenshot: <http://bit.ly/15EUWjK>

<sup>22</sup> See The Economist, “Shells and shelves”, 7 April 2012: <http://www.economist.com/node/21552196> (last accessed 12 July 2013).

<sup>23</sup> A US Securities Exchange Commission filing by Tiffany & Co. detailing the loan agreement can be viewed here: <http://apps.shareholder.com/sec/viewerContent.aspx?companyid=TIF&docid=7845512>

<sup>24</sup> Contract seen by Global Witness

<sup>25</sup> *United States of America v. Frédéric Cilins*, document 16, p8: “Mr. Cilins’ various telephone calls and meetings between himself and Mamadie Toure in Jacksonville, Florida in 2013 were to obtain these false documents so that he and BSGR and others could no longer be blackmailed and extorted,” the defence told the court in a submission dated 13 June 2013.

<sup>26</sup> *United States of America v. Frédéric Cilins*, transcript 3 July 2013: “If the documents are false, he [Cilins] did not commit a crime,” Cilins’ defence attorney, Michelle Smith, told the court. “...the point I’m trying to make, Judge, is that just like a business settles nuisance lawsuits. We see it every day in the civil arena. Somebody comes in, I slipped and fell in your restaurant. The restaurant owner knows it didn’t happen, and their lawyer says yeah, but it will cost you \$100,00 to defend the suit, pay him 75, pay him 100, pay him 125, whatever it is to get him out of your face, call the accountant and write it off. That is exactly what Mr Cilins was doing here. These documents had been put forth at least four separate times since 2010 as part of blackmail and extortion. At least on one occasion, if not two, the attorney for Ms Mamadie Touré backed down when their attorneys confronted them. He would have promised her the moon, the stars and the world.”

<sup>27</sup> “Even without a full forensic examination it is clear that several of the documents attached to your letter are crude forgeries: Certain of the alleged documents, for example, bear official fiscal stamps. The (sequential) numbering on the stamps is not consistent with the purported dates of the documents themselves, i.e. stamps that appear on later documents contain numbering that precedes the numbering on stamps attached to earlier dated documents (which of course would be impossible if the documents and the stamps were genuine). This suggests that officials within the Guinea Government were complicit in the creation of such documents and, potentially, in the wider threat to our client's interests in Guinea. The other documents attached to your letter also contain notable discrepancies from the versions previously shown to our client in the circumstances described above.” Letter seen by Global Witness, Skadden, Arps, Slate, Meagher & Flom (UK) LLP to Nava Touré, Comité Technique de Revue des Titres et Conventions Miniers, 4 June 2013.

<sup>28</sup> E-mail from Global Witness to BSGR and Rory Godson, 2 July 2013. See “Notes to Editors” for full list of questions submitted to BSGR.

<sup>29</sup> “Mr. Steinmetz is in fact a consultant for [the Beny Steinmetz Group], however it is broadly perceived in the public domain that these companies are interchangeable with Mr Steinmetz personally.” Letter from Mishcon de Reya, acting for BSGR, to Global Witness, 15 February 2013.

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<sup>30</sup> “The Steinmetz family interests have extended into mining, oil, gas, power generation, real estate and financial investments. Beny and his immediate family are among the beneficiaries of trusts which own the Steinmetz business group (BSG).” 11 April 2013 statement by BSGR <http://www.bsgresources.com/media>

<sup>31</sup> See for example Maariv, 31 May 2009 (Hebrew): <http://www.nrg.co.il/online/16/ART1/897/316.html>

<sup>32</sup> The New Yorker, “Buried Secrets”

<sup>33</sup> Ynet News, “Beny Steinmetz reveals all cards”, 30 June 2013: <http://www.ynetnews.com/articles/0,7340,L-4398445,00.html>. Main Justice, “Unnamed ‘co-conspirator’ in BSGR probe said to be Israeli Beny Steinmetz”, 17 June 2013: <http://www.mainjustice.com/justanticorruption/2013/06/17/unnamed-co-conspirator-in-bsgr-probe-said-to-be-israeli-beny-steinmetz/>. Both articles last accessed 12 July 2013.

<sup>34</sup> United States of America v. Frédéric Cilins, document 13

<sup>35</sup> Subpoena seen by Global Witness

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