

Ex-Mozambique Official Denies \$2B 'Tuna Bond' Charges

By **Rachel Scharf**

Law360, New York (July 13, 2023, 7:54 PM EDT) -- Mozambique's former finance minister pled not guilty Thursday to taking bribes in exchange for signing the country's \$2 billion toxic "tuna bonds," during his first appearance in Brooklyn federal court since being extradited on the long-dormant charges.

Manuel Chang, clad in jeans and a turtleneck sweater, **arrived Wednesday in the U.S.** after being jailed on the charges for more than four years in South Africa. He was quickly detained once again, with U.S. District Judge Nicholas G. Garaufis ruling that the ex-politician is a flight risk because of his close ties to Mozambican higher-ups.

"Mr. Chang pleads not guilty," the defendant's lawyer, Adam Ford of Ford O'Brien Landy LLP, said.

A **2018 indictment alleges** that maritime contractor Privinvest bribed Chang and other Mozambican officials to secure government backing for \$2 billion worth of bonds intended for tuna fisheries and other development projects in the East African nation.

According to prosecutors, Chang's signature allowed Privinvest to sell the bonds to international investors. The company ultimately defaulted on more than \$700 million in loan payments in 2016, sending the Mozambican economy into a tailspin.

Assistant U.S. Attorney Hiral Mehta told Judge Garaufis Thursday that prosecutors have documents showing the flow of at least \$5 million in payments from Privinvest to Chang, as well as possible evidence of up to \$13 million more in alleged bribes.

Ford, meanwhile, said Chang never accepted any bribes, and that the former finance minister was merely doing his job when he signed the tuna bonds in his official capacity.

"The evidence is going to show that those wires had absolutely nothing to do with his signature," Ford told the judge. "He was required to sign the documents because that was his role, in the same way our treasury secretary is required to sign money. ... By virtue of his position, he did sign them, but it wasn't his decision."

A trial date has not yet been set, although Judge Garaufis said he'd like to hold a trial as early as January 2024 due to Chang's already-lengthy period of detention.

"I would make this the highest priority, to try this case at the earliest possible time," the judge told the parties.

Chang is next scheduled to appear in court in October for argument on his bid to dismiss the indictment on **speedy trial grounds**.

The only other defendant in the tuna bond case to go to trial, Privinvest executive Jean Boustani, was **acquitted in 2019**. At the time, jurors told reporters they reached the not-guilty verdict

based on an absence of proper venue in the Eastern District of New York.

Three former bankers with Credit Suisse, which helped finance the now-infamous bonds and ultimately paid \$475 million over its role in the scandal, **copped guilty pleas**.

Two more former Mozambican government officials were also indicted in the case, as was a second Privinvest executive. None of those defendants have appeared in U.S. court.

The government is represented by Hiral D. Mehta and Jonathan Siegel of the U.S. Attorney's Office for the Eastern District of New York, and Margaret Moeser and Peter Cooch of the U.S. Department of Justice's Criminal Division.

Chang is represented by Adam Ford and Arthur Kutoroff of Ford O'Brien Landy LLP.

The case is U.S. v. Boustani et al., case number 1:18-cr-00681, in the U.S. District Court for the Eastern District of New York.

--Additional reporting by Stewart Bishop and Frank G. Runyeon. Editing by Covey Son.