

SPINCASH

Payments to Zimbabwe President's Farm and Vice President's Associate Followed a \$120m Chrome Deal

A South African chrome miner paid \$3 million to firms linked to the Zimbabwean president and vice president following a \$120 million deal signed in November 2017.

Fond of fast cars and cigars, South African wheeler-dealer Zunaid Moti dabbled in property development and private jets, but his main business in Zimbabwe was processing chrome. In 2014 he bought 70% of African Chrome Fields (ACF), a chrome mining outfit based in central Zimbabwe.

By 2015, ACF was a well-connected firm: it had formed a joint venture with the Zimbabwe Defence Forces (ZDF) and hired then-Vice President Emmerson Mnangagwa's son as a consultant. Businessman Lishon Chipango—identified by a source as then-ZDF commander General Constantine Chiwenga's "investment manager"—indirectly owned shares in ACF via Spincash Investments, a

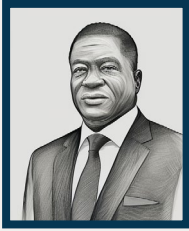
Moti Group holding company that held the remaining 30% of ACF.

Moti signed a deal with ruling party benefactor Kudakwashe "Kuda" Tagwirei on November 17, 2017—in the middle of the week-long coup that brought President Mnangagwa and Vice President Chiwenga to power—in which Tagwirei paid \$120 million* for Spincash's 30% of ACF. A politically connected industrialist who later became an advisor to Mnangagwa, Tagwirei was the subject of separate corruption allegations relating to a power plant and an agricultural program at the time of the deal.

The Spincash deal was followed by a money-moving operation in which Moti's companies paid \$130 million in 595 installments to a mix of established firms, companies whose records are missing, and politically linked entities in Zimbabwe. In December 2017 and January 2018,

*Unless otherwise indicated, all dollar amounts are given in US\$.

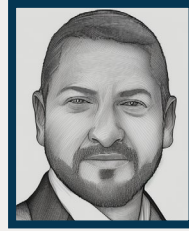
Key Figures



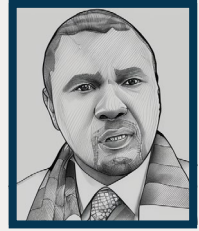
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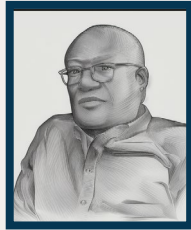
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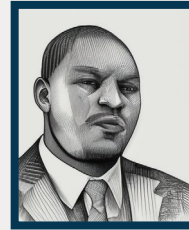
Zunaid Moti



Kudakwashe
"Kuda" Tagwirei



Lishon
Chipango



Justice
George
Chiweshe

the payments included \$1 million to Mnangagwa's farm and \$2 million to a company controlled by Chipango and someone reported to be Chiwenga's niece. In a separate commercial transaction in February 2018, ACF also paid \$100,000 to a senior judge, Justice George Chiweshe, as part of a wider deal to mine chrome in concession areas controlled by a firm he chaired.

The timing of the November 17, 2017, deal raises the question of whether there is a connection to the coup. Following Zimbabwe African National Union - Patriotic Front (ZANU-PF) factional infighting throughout the

year, Mnangagwa fled Zimbabwe after being fired as vice president by President Robert Mugabe on November 6, 2017. Led by Chiwenga, the Zimbabwe Defence Forces (ZDF) took control of Harare on November 14 and spent the next seven days persuading Mugabe to step down. After Mugabe's resignation on November 21, Chiweshe—who at the time was judge president of the high court—ruled that the ZDF's actions were constitutional and annulled the earlier dismissal of Mnangagwa, paving the way for the reinstated vice president to ascend to the presidency. Five weeks later, Chiwenga became vice president.

For the Moti Group, there are indications that the deal's timing in the midst of the coup and the payments to some of the coup's main protagonists were coincidental. Leaked recordings of Moti Group internal discussions about whether the timing of the deals was linked to the coup reveal staff sincerely stating that there was no connection. The Moti Group denied that they made any payments to politicians.

Nevertheless, there is no question that Moti and Tagwirei flew close to the political sun. For example, the Moti Group supplied 50 vehicles to Tagwirei for use in ZANU-PF's 2018 election campaign, albeit in what Moti said was a commercial transaction. The \$1 million payment to Mnangagwa's farm—which has echoes of the unexplained cash found at South African President Cyril Ramaphosa's farm—has still not been adequately explained.



African Chrome Fields added 4 new photos.

August 1, 2018 · 🌟

Zimbabwe's biggest chrome miner, African Chrome Fields launched its state-of-the-art Aluminothermic Plant which is set to further increase the company's range of products through the addition of Ultra Low Carbon High Grade Ferrochrome (ULCHGFeCr) and boost employment across ACF's operations.



(L-R, wearing scarves) Kudakwashe Tagwirei, Zunaid Moti, and President Emmerson Mnangagwa launch African Chrome Fields' new plant in 2018, while Emmerson Mnangagwa Junior (third from left, wearing gold-rimmed sunglasses) looks on. Photo: African Chrome Fields, Facebook.



The Rise of ACF**

Moti made powerful friends soon after his purchase of 70% of ACF in 2014. By April 2015, ACF had formed a joint venture with the ZDF, as first reported by the Zimbabwe Independent. The following month, ACF hired then-Vice President Mnangagwa's son, Emmerson Mnangagwa Junior, as a consultant for \$5,000 per month—which would later rise to \$10,000—in an arrangement that would last until 2019. Neither Emmerson Mnangagwa Junior nor President Mnangagwa responded to requests for comment.

ACF's joint venture contract with the ZDF indicated that the military or their nominees would take up the remaining 30% of ACF's shares, if sold. In the end, these were bought by Spincash Investments in July 2015 for about \$500,000. Spincash was majority-owned by Moti's allies, with a minority stake held by Chiwenga's associate, Chipango. Initially, 25% of Spincash was owned by Chipango, but that later fell to 15%. In effect, in 2015, Chipango owned 7.5% of ACF,

which dropped to 4.5% by 2016. According to the Moti Group, Chipango didn't pay for these shares, as they were "sold to him on deferred payment terms, which payment he never settled." Later, Chipango moved the shares held in his own name to Raybeam Investments, a firm he controlled together with Shingirai Muzavazi, an executive at a Harare shopping mall part-owned by the military. Neither Muzavazi nor the military's holding company responded to requests for comment. Chipango declined to comment.



Lishon Chipango.
Photo: Still from Victory Business Forum video, YouTube.

*Reports by The Sentry are based on interviews, documentary research, and, where relevant, financial forensic analysis. In some cases, sources speak to The Sentry on the condition that their names not be revealed, out of concern for their safety or other potential retaliatory action. The Sentry establishes the authoritativeness and credibility of information derived from those interviews through independent sources, such as expert commentary, financial data, original documentation, and press reports. The Sentry endeavors to contact the persons and entities discussed in its reports and afford them an opportunity to comment and provide further information.

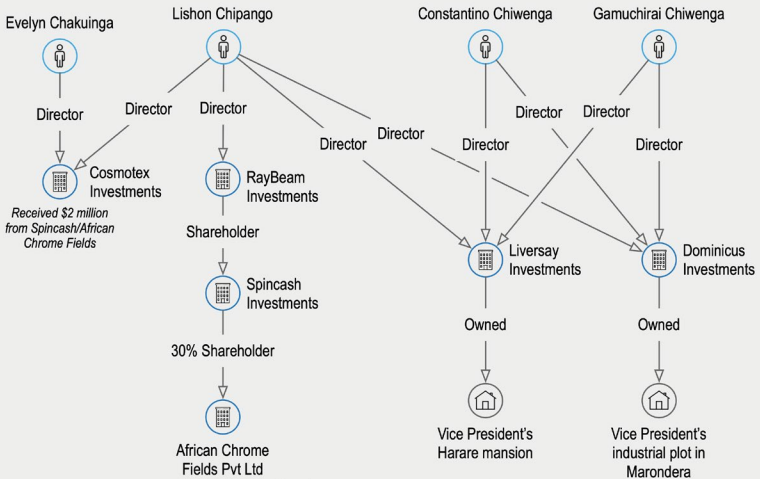
Chipango, an independently wealthy businessman, represents Chiwenga, according to three sources interviewed by The Sentry, one of whom described Chipango as “the de facto investment manager for the VP.” Chipango is trusted enough to be a director of two of Chiwenga’s property firms, including the holding company for the vice president’s Harare mansion. Moti denies that Chipango represents Chiwenga.

Moti’s initial plans for ACF had been to mine and export raw chrome ore to be processed through his South African furnaces, while also building a new plant in Zimbabwe’s Midlands province, so that more “beneficiation” – value-added processes – could take place inside the country. In pursuit of this two-pronged strategy, ACF benefited from valuable tax and regulatory decisions, such as when then-Vice President Mnangagwa persuaded the Cabinet to lift the raw chrome export ban in

Chiwenga’s Alleged “Investment Manager”



According to divorce and company records, Chipango was simultaneously a director of Chiwenga’s property holding companies and a shareholder in Spincash Investments, which owned 30% of African Chrome Fields.





Top right: Chiwenga examines chrome ore with African Chrome Field's Ashruf Kaka (right, in baseball cap and sunglasses) in 2016. Kaka denies any wrongdoing. Photo: African Chrome Fields brochure.

2015. ACF and its joint venture with the military— Zimbabwe African Chrome—submitted a combined application for National Project Status (NPS), which allowed them to import capital goods duty-free. ACF also obtained duty-free chemical imports, an exemption from indigenization laws, and central bank exchange control authorization to “set-off” revenue against costs in Moti Group

cross-border transactions. In 2016, Moti requested Mnangagwa’s help in obtaining an exemption on paying duty on diesel, offering to supply 10,000 liters per month to the police, army, and ZANU-PF government in Midlands province. At the time, some of these concessions—including the successful request for duty-free diesel—were criticized by

Parliament and by Mnangagwa's political enemies.

Some pleas, like Moti's 2016 request to Mnangagwa for a Zimbabwean diplomatic passport so that he would not have to reveal details of his chrome processing techniques in South Africa, or a suggestion in 2017 that Chiwenga push to arrange a prisoner swap between Zimbabwe and the United Arab Emirates to help Moti in a legal dispute with a Russian businessman, do not appear to have come to fruition. Moti denies he has or had a diplomatic passport and states that he has no knowledge of a potential prisoner swap. However, Moti won a long list of concessions between 2015 and 2019, when ACF had business relationships with Mnangagwa's son and Chiwenga's business associate, and many of these lapsed after 2019, when Moti reportedly fell out with Mnangagwa. The Moti Group said that these concessions were designed to raise foreign direct investment and were available to other firms and that ACF did not receive favorable treatment. The joint venture with the ZDF was to mine chrome on military-owned concessions, but the project never took off, Moti told The Sentry.

Timeline 2015-16



March 19, 2015

Agreement between Zimbabwe and ACF is signed by VP Mnangagwa.

April 2, 2015

The ACF-ZDF joint venture begins.

April 23, 2015

Spincash is registered as a company.

May 2, 2015

Emmerson Mnangagwa Jr. becomes a consultant for ACF.

May 19, 2015

ACF and ZDF jointly apply for National Project Status.

June 4, 2015

VP Mnangagwa successfully lifts the chrome export ban.

July 20, 2015

ACF and Spincash sign a shareholders agreement.

July 23, 2015

ACF allots 30% of its shares to Spincash. Chipango holds 25% of Spincash.

January 20, 2016

ACF requests Mnangagwa's help with lifting the duty on diesel.



The Spincash Machine

Tagwirei's business dealings with Moti began in October 2017 with a loan to help ACF finish building its processing plant. By November 17, 2017, their relationship had blossomed into something much more ambitious: Tagwirei's Sakunda Holdings paid \$120 million for Spincash's 30% of ACF.

As Spincash received Tagwirei's \$120 million in installments, Spincash and ACF began moving the money over several months. Payments were made under loan contracts with two newly formed companies, JayT Global Bureau de Change and Oakland Mining, both co-owned by Zimbabwean businessman Patrick Chinondo. From November 2017 to September 2018, ACF and Spincash began distributing funds to Zimbabwean companies in what initially was known within the Moti Group as the "Kuda on-lend," in a reference to Tagwirei. According to the loan contracts and other financial records, JayT received money from ACF, and later Oakland received money from Spincash. Both JayT and Oakland also directed ACF and Spincash to make payments to third parties. Under these contracts, the Moti Group eventually paid \$130.7 million—in 595 installments—to 28 companies and four individuals.

Roughly \$60 million was paid to companies connected to Chinondo and his fellow JayT directors, another \$60 million went to firms whose records are missing from Zimbabwe's company registry, and at least \$3 million went to entities connected with politicians.

The company that owns Mnangagwa's farm, Pricabe Enterprises, received \$1 million in December 2017, while \$2 million went to Cosmotex Investments, controlled by Chipango and Evelyn Chakuinga, reportedly Chiwenga's niece, in two \$1 million transactions in December 2017 and January 2018. Chakuinga, Chiwenga, Mnangagwa, and Pricabe did not respond to requests for comment.

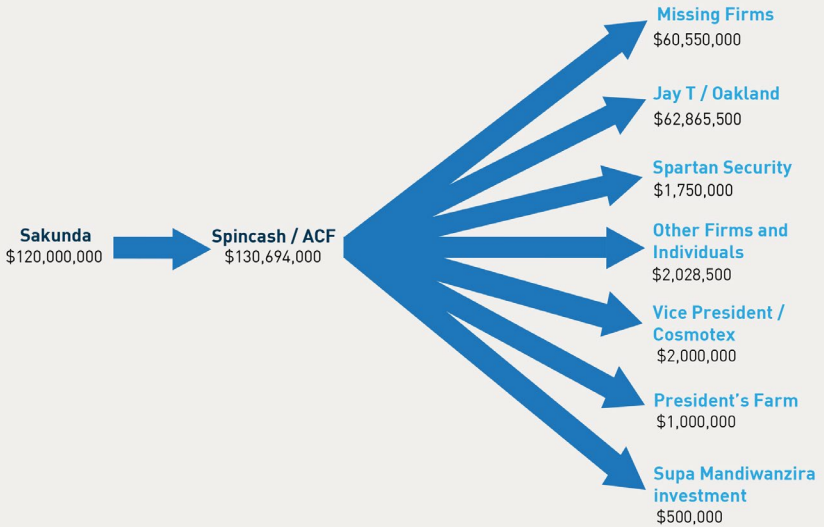
In January 2018, another \$500,000 went into a joint property investment with a company owned by Supa Mandiwanzira, a businessman who was then the information, communication and technology minister. In communications with The Sentry, Mandiwanzira denied any wrongdoing. The property investment was part of a wider—eventually fruitless—deal to mine chrome on concessions legitimately obtained in purely commercial transactions by Mandiwanzira's firms, he said. Mandiwanzira told The Sentry that although he was a minister, there was no conflict of interest, as his de-



After Tagwirei's \$120 million transaction, Spincash and ACF began distributing \$130 million to companies whose records are missing, firms connected to JayT Global, and politically connected entities.



THE SENTRY



partment did not regulate mining or environmental matters.

ACF paid Chiweshe \$100,000 in February 2018 as part of ultimately unsuccessful negotiations to mine chrome on concessions obtained by a firm Chiweshe chaired, Overseas Trends Resources (OTR). Chiweshe, who later became a Supreme Court justice, was a former military lawyer known for his partisan chairmanship of the Zimbabwe Electoral Commis-

sion during the rigged 2008 elections. OTR had obtained 20-year chrome mining concessions covering 6,000 hectares from the government in February 2017. Mandiwanzira told The Sentry that he had introduced Chiweshe to Moti, who was seeking more chrome concessions, for purely commercial negotiations that began in early 2017. Chiweshe said he does not recall any payment and told The Sentry that his judicial position had nothing to do with OTR, which was



Timeline 2017-18

While the Moti Group did not support the coup, political tension formed the backdrop to ACF activity in 2017, and some transactions benefited members of Mnangagwa's faction.



Political events ACF events



a mere partner to the state-owned Zimbabwe Mineral Development Corporation. Chiweshe did not answer a question about who owned OTR—for which records are missing from the corporate registry—but said that, while he chaired the firm, “to suggest that OTR is a tool for my personal benefit is in bad taste and

simply untrue.” The Moti Group confirmed that ACF made the \$100,000 payment to Chiweshe.

A month before national elections, in July 2018, \$1.75 million went to Spartan Security. According to Zimbabwe's company registry, one of Spartan's directors is Mnangagwa's

relative, Tarirai David Munangagwa, who had reportedly helped Mnangagwa flee Zimbabwe before the coup. One media article—alleging that Spartan bought cars for ZANU-PF in the 2018 elections and facilitated foreign payments for the ZDF and both vice-presidents' offices—states that Munangagwa had resigned from Spartan in 2016 (contradicting information from the company registry, which is not always kept up-to-date), but remained a lifelong friend of Spartan's owner. Neither Spartan nor Tarirai Munangagwa responded to requests for comment. The Moti Group said that their payment to Spartan was instigated by JayT and was unconnected to the purchase of vehicles. The Moti Group did supply 50 vehicles to Tagwirei for use in ZANU-PF's 2018 election campaign, but it says these were paid for by Tagwirei as part of a normal transaction with their motor vehicle division. The Sentry reached out to Tagwirei, but he didn't respond to requests for comment.

The Moti Group describes the 595 Spincash payments as investment opportunities, made as the Zimbabwean currency (Real Time Gross Settlement dollars, or RTGS\$) depreciated: "ACF/Spincash utilized the purchase price received from Sakunda to invest in Zimbabwean operations and opportunities in order to try and protect the value

of the proceeds from depreciating ... JayT and Oakland form part of these advances, which effectively are loans." Chinondo, the owner of both JayT and Oakland, told The Sentry that the payments were to "our service providers and suppliers of goods at the time. Highly likely we asked ACF to make direct payments to these suppliers for one of the following reasons: suppliers request for immediate clearance of funds so they do not make losses in price changes since it was a hyperinflation period; suppliers didn't want the risk of holding money in the bank (RTGS\$) despite the government saying base currency was USD \$ at the time, for money in the bank (Rtgs\$) had a different rate to (Real Usd \$ cash value), for too long hence they preferred to send us their beneficiaries to pay. ... So in summary money was paid to the direct suppliers of a service or good but there were 3/4 principals who would have requested for this payment."

When asked about the payments to politically connected entities Pricabe, Cosmotex, and Spartan Security, the Moti Group told The Sentry, "As part of the advances to JayT and Oakland, they requested that payments be made to various companies by way of payment direction letters." Chinondo said, "I am not familiar with all except Spartan Security Services which we did do some



work with back them. We do not have any of these on our records. If ACF allocated them to our contracts it's a mistake they are not ours and we have no record of ever asking for these payments on our behalf."

The Sentry asked the Moti Group for proof that any loans were repaid, but no documents were provided.

Botswana

In 2019, the Moti Group approached Chinondo with a plan to support a political party in Botswana in the hope of gaining commercial opportunities. In May 2019, Chinondo agreed to pay \$1 million for 11% of Longway Solutions, a Moti Group Seychelles registered company. According to the agreement, Longway had committed \$9.4 million to Duma Boko's Umbrella for Democratic Change (UDC) 2019 election campaign "in order to maximize certain commercial opportunities." Other Moti Group internal documents describe how Longway or its representatives would seek to "serve as Advisor to the Presidency for the duration of UDC term"; be "appointed as the chief negotiator in the renewal process to engage with De Beers on behalf of the Government of Botswana"; "manage border control and security" with "10 year exclusivity"; and establish a "State Bank for inter alia payment of pensions. Bot Gov shall provide the initial capital funding of BWP 1 billion." The documents also list planned roles for Longway in wholesale and retail fuel distribution, a lithium oxide facility, wholesale fertilizer and agricultural input importation, halal beef exports to Arab countries, and a mandatory medical insurance plan for visitors to Botswana. It is not clear whether Boko or the UDC had agreed to any of these plans, and Boko did not respond to a request for comment.

In response to The Sentry's questions, Chinondo said, "This is a very interesting long shot, Yes I was offered these shares, and investment opportunities but after a careful Due Diligence I did not pay for them as I later discovered that there was no real substance in the offers



hence the payment for the shares never happened. However it's worth to mention that when I was offered these investments it was rather more of fantasy dreaming by the party which seemed to sell shares and they enticed me into signing some MOU but I never bought the shares."

Media coverage from 2019 reported Moti's financing of Boko's campaign, including by providing a private jet and helicopter. Moti also funded the UDC's failed legal challenge after losing the 2019 elections. Boko didn't respond to requests for comment but previously said in an interview: "Zunaid Moti is more than a friend to me. He's like a brother. He's been that way for many years...he's like a sibling to me." When asked if Moti was a sibling who donates money, Boko replied, "Of course, my siblings will donate to me. They have an obligation to do this. So there's absolutely nothing untoward."

The Moti Group said they only provided a minuscule amount of support to the UDC, not \$9.4 million, and stated, "We support democracy, and therefore provided the support the UDC requested, as they are a legitimate political party. There is nothing wrong with acquiring fuel, lithium, fertilizer or anything else commercially. Our proposals were a value add to Botswana, and would have been to their benefit. We hereby state our support for all ruling parties in the SADC [Southern African Development Community] region."



A Commission of Inquiry

In 2019, Moti's relations with Mnan-gagwa and Tagwirei reportedly soured, while his friendship with Chiwenga endures. The Moti Group continues to request Chiwenga's assistance in obtaining favorable regulatory decisions for ACF, including the reinstatement of its now-expired National Project Status and its duty-free diesel concession.

Amid a corporate reshuffle, Moti has recently announced a renewed personal focus on African Chrome Fields, with a new factory opening in mid-2023. He told Independent Online, a South African news site:

"It has taken me about 10 years to research and develop the concept. I started construction in 2016. It took patience. This is my dream."

It is important to establish whether ACF's growth took more than patience. When \$780,000 in cash was stolen from South African President Cyril Ramaphosa's farm, the resulting scandal led to an official inquiry led by former Chief Justice Sandile Ngcobo. This case, in which \$1 million was paid to President Mnan-gagwa's farm for as yet unknown reasons, should also be investigated by a commission of inquiry consisting of appropriate persons from Zimbabwe and fellow African Union or Southern African Development Community states.

