

Diamondgate: The Entire Belgian Political Establishment Is Involved

Our politicians are CROOKS! And they are not put in jail. YET! THOSE unrespectables are still running our country and the complete EU!

On 14 April 2011, the Belgian Parliament voted a law that amended the Code of Criminal Procedure. According to the law, it became possible as from 16 May 2011 to enter into transactions with the Public Prosecutor to terminate the public prosecution of offences at all the stages of a criminal procedure.

The amendment came as a surprise for the public, and even for some politicians. A culprit was needed to explain the change, and a culprit was found: Patokh Chodiev, a London-based Uzbek oligarch with Belgian citizenship. However, OSI proved the allegations wrong (here: <http://www.opensourceinvestigations.com/> and here: <http://www.opensourceinvestigations.com/>).

OSI is now in a position to offer more details on how the criminal law was changed in Belgium, and on who the real culprits are.

Diamonds are the Belgian politician's best friend

The law from April 2011 didn't come out of nowhere. The amendment first began to be discussed in 2008, among people close to the diamond traders in Anvers. Pressed by legislative changes and by a public opinion which was more and more unfavorable to the secrecy surrounding the trade in diamonds, the traders felt they have to fight back. Since a return to the old style of doing business was impossible, they began exploring ways to change the law so that they won't end up in jail. (source: <http://blog.lesoir.be/>)

The idea of an enlarged transaction, allowing them to avoid prison, was most appealing to them. So they began pushing for it. In 2011, one of the co-writers of the amendment to the Code of Criminal Procedure was Axel Haelterman, a reputed law professor and also a lawyer for the Antwerp World Diamond Centre, a private foundation that represents the interests of diamond traders. (source: <https://www.apache.be/>)

Haelterman was even invited by the Belgian Senate to report on the new proposal on 24 March 2011. He, of course, praised the amendment. (source: <https://www.senate.be/>) Stefaan De Clerck, then Minister of Justice, saw no conflict of interest in Haelterman's intimate involvement in the legislative process.

There is also a close connection between Haelterman and Didier Reynders, back then Vice-Prime-minister and Minister of Finance. Haelterman was Reynders' counselor on several occasions. (source: <http://www.levif.be/>)

Yves Leterme, at the time Belgian Prime-minister, witnessed publicly: "It was a very important political problem. He [Reynders] was very active on this matter, and took the enlarged transaction to his heart." Besides, all the Belgian MPs recognized that the Government pressed them a lot to vote for the enlarged transaction.

To sum it up, Haelterman acted as a very important link between the diamond traders in Anvers and Didier Reynders. He was so intimately involved that he is considered one of the authors of the amendment that reformed the Code of Criminal Procedure by allowing prosecutors to enter into enlarged transactions with rich wrongdoers.

However, no matter how powerful and well-connected the diamond traders' lobby was, something else was needed to change the law: an emergency.

Société Générale, the catalyst of change

In 2010, prosecutors in Turnhout discovered that Société Générale was coordinating a huge money laundry and tax evasion scheme. The fraud amounted to 89 million euros. (source: <http://www.dhnet.be/>)

The CEO of Société Générale at the time was Frédéric Oudéa, a friend of the French President Nicholas Sarkozy. In 1993 Oudéa became a member of the French government as a technical adviser of Sarkozy, who was then Minister of Budget and Communication. In order to avoid a criminal indictment that would have been devastating for Société Générale, Frédéric Oudéa had the support of President Sarkozy.

Sarkozy, on the other hand, was a close friend of Didier Reynders. In 2007, André Gilain wrote a biography of Reynders. The preface is authored by Nicholas Sarkozy himself, who writes: "Didier is my friend, and I am proud to be his." On his side, Reynders adds: "Above all, he [Sarkozy] is a friend, I know him for many years: even since he wasn't in the powerful position that he is in today."

There is yet another powerful connection between Reynders and Société Générale. As Minister of Finance, he decided which banks were appointed as primary dealers in Belgian government securities, a highly lucrative business for the fortunate banks that were selected.

As it turns out, Reynders always selected Société Générale (see, for instance, the reports from 1999: <http://www.debtagency.be/>, from 2007: <http://www.presscenter.org/>, and from 2010, the very year when Belgian prosecutors discovered that Société Générale was laundering money on a grand scale: <http://2013.jaarverslag.financien.belgium.be/>).

This proves beyond doubt a very close relationship between the Belgian State, powerful members of the Belgian government and Société Générale. So when the French bank came under the scrutiny of Belgian prosecutors, Didier Reynders intervened. He had the means to do so, because he possessed the amendment concerning the enlarged transaction already drafted by the diamond traders' lobby.

All the evidence shows that Reynders was crucial as a promoter of both Société Générale's and the Anvers diamond traders' interests. And when these two very powerful interests congregate, with Reynders as a central figure, the law changes almost instantly. In this context, Patokh Chodiev, the Uzbek oligarch, was simply at the wrong place at the wrong time. By concluding his own transaction with the prosecutors just a week after Société Générale, he became the perfect scapegoat. Being rich, controversial yet not connected with those who truly run the political establishment in Belgium, it was easy for them to throw him to the lions, creating an almost perfect smokescreen behind which they managed to hide their machinations.

On 14 April 2011, the Belgian Parliament voted a law that amended the Code of Criminal Procedure. According to the law, it became possible as from 16 May 2011 to enter into transactions with the Public Prosecutor to terminate the public prosecution of offences at all the stages of a criminal procedure.

The project of law concerning various provisions entered the Parliament on 24 February 2011. On 3 March 2011, a series of amendments were proposed. Among them was the amendment 18, extending the scope of the criminal transaction: <http://www.lachambre.be/>.

OSI can now reveal the names and the interests behind this legislative change that shocked Belgium.

Who wrote the amendment and when?

Amendment 18 on the extension of the scope of criminal transactions regulated by art. 216bis of the Belgian Code of Criminal Procedure was introduced by Servais Verherstraeten, back then the leader of the Flemish Christian-Democrats (CD&V) in the House. We will talk about him later. What is important is that Verherstraeten didn't write the amendment himself: he only introduced it.

So who wrote the amendment? According to some, it was written by Catherine Degoul, the French lawyer of Patokh Chodiev, a London-based Uzbek oligarch with Belgian citizenship, who was on trial for money laundering and tax evasion, and who risked a jail sentence. Degoul sent the draft to Armand De Decker, Chodiev's lawyer in Belgium and former president of the Belgian Senate. De Decker, using his political connections, managed to persuade Verherstraeten and others to introduce the amendment as drafted and to vote for it. (source: <http://www.levif.be/>)

However, this story is a fake. The Belgian investigative magazine Apache discovered in 2013 that the amendment was drafted in 2009, under the auspices of the Attorney General of Anvers, Yves Liegeois. The document obtained by Apache was an almost word by word match of amendment 18. Even the arguments developed in the motivation were identical.

The draft was written by Axel Haelterman and Raf Verstraeten, both law professors and lawyers working with the Antwerp World Diamond Centre (AWDC), an umbrella foundation representing the interests of the diamond traders in Belgium. (source: <http://www.deconsument.com/>)

Haelterman and Verstraeten were even invited by the Belgian Senate on 24 March 2011 to give their legal opinion on the amendment they themselves drafted two years ago. Unsurprisingly, their opinion on amendment 18 was positive. (source: <https://www.senate.be/>)

The fact that the draft of the amendment was well-known and was widely circulated "for a long time" within political and judicial circles was also recognized by Stefaan De Clerck, who in 2011 was the Belgian Minister of Justice. (source: <http://www.levif.be/>)

The Diamond Club

On 2 December 2010, a number of Belgian MPs founded "The Diamond Club" ("Diamantclub" in Flemish), an informal and secretive group aimed to offer parliamentary support to the diamond traders in Anvers. The president of the Club was Jan Jambon, and the vice-presidents were Willem-Frederik Schiltz and Servais Verherstraeten. All the Flemish MPs were invited to join the club. "We want to unite in the "Diamantclub" all the politicians who defend the values and the interests of the

diamond trade,” the invitation said. (source: <https://www.lachambre.be/>)

What the club aimed was to put the interests of the Antwerp World Diamond Centre at the very heart of the Belgian Parliament.

Now it is time to meet Servais Verherstraeten again. You remember, perhaps, that he introduced the amendment 18. Yet he did it not as a simple MP, but as the vice-president of the Diamond Club, a secret group of politicians who were actively defending the interests of the diamond traders in Anvers. And he introduced an amendment that was drafted two years earlier by the lawyers of AWDC.

The AWDC was thankful. The Law from 14 April 2011 was published in the Belgian Official Gazette on 6 May 2011. On the same day, the Diamond Club organized a trip to Anvers, at the AWDC headquarters, for 20 Belgian MPs. (source: <http://antwerpen.pvda.be/>)

A few months later, on 16 January 2012, AWDC issued a public statement in which the foundation recognized its role and congratulated itself for its “substantial contribution in the creation of new legislation extending the possibilities to conclude an amicable settlement.” In other words, they publicly bragged about them being the ones who changed the law – or, more precisely, being the ones who made the law. Because the diamond sector is the true lawmaker in Belgium. (source: <http://www.hetgrotegeld.be/>)

As for Axel Haelterman, AWDC’s lawyer, consultant and lobbyist, the man who drafted the amendment 18 in 2009, he totally approved: “”There’s nothing wrong with this way of working. It is a good example of consultations between the legal world and the business world.” (source: <http://www.deconsument.com/>)

Masters and servants

So where does Patokh Chodiev, the Uzbek oligarch, fit in this picture? Well, he doesn’t. His lawyers didn’t draft the amendment 18. Armand De Decker was never present when the amendment was discussed. Chodiev wasn’t even the first beneficiary of the new law, as OSI already proved: <http://www.opensourceinvestigations.com/>.

However, we have a Kazakhgate Commission in the Belgian Parliament, investigating Chodiev for things he never did. Why? Because a Diamondgate Commission, investigating the methods allowing AWDC and the diamond traders to be the true lawmakers in Belgium, will never happen. Servants never attack their masters – they have too much to lose if they do.

The only reason the parliamentary majority accepted the opposition’s proposal to create the Kazakhgate Commission is because it serves their purpose to hide the real perpetrators. Belgium’s true lawmakers are known to anyone, but are never to be genuinely threatened.

The 2011 extension of the scope of criminal transaction was not the first bill meant to resolve Antwerp diamond industry's legal issues. It was not the first draft law created by the diamond lobby, written by AWDC's lawyers, introduced by Servais Verherstraeten, and endorsed by the informal group of Belgian MPs serving the interests of the diamond sector. In 2008, the same Verherstraeten proposed a bill initiated by the same AWDC and written by the same lawyer, Axel Haelterman. The bill was meant to block law enforcement from confiscating illegal diamonds. Bart De Wever, Marie-Christine Marghem, Renaat Landuyt, and Melchior Wathelet co-sponsored the 2008 bill. A couple of years later Verherstraeten (CD&V), De Wever (NVA), Marghem (MR), Landuyt (SP.A), and Wathelet (CDH) were all members of the Diamond Club pushing for the extension of the scope of criminal transactions.

Diamond lobby

In October 2007, Belgian law enforcement confiscated 14 million euros worth of blood diamonds brought into the country illegally from the Ivory Coast. The main suspect, an executive of Antwerp-based Pery Diamond, was arrested by the prosecutors.

The diamond sector was facing very hard times. Antwerp public prosecutor Peter van Calster was conducting several investigations regarding diamond industry fraud. Two years earlier, in October 2005, Belgian authorities had arrested a number of Monstrey Worldwide Services managers and sealed their offices. In 2006, Omega Diamonds' executives had fled Belgium after a whistleblower tipped off authorities to a massive money-laundering scheme.

And hard times calls for drastic measures. Pery Diamond, Monstrey Worldwide, and Omega Diamonds are pillars of the Antwerp diamond industry. They are also founding members of the Antwerp World Diamond Center (AWDC), an umbrella organization representing and lobbying on behalf of the diamond traders. The AWDC asked its legal consultant Axel Haelterman to draft a bill that would radically change the procedures in place for confiscation.

Diamond law

The bill written by the diamond lawyer was introduced by another long-time friend and advocate of the Antwerp diamond traders, federal MP Servais Verherstraeten.

On 30 January 2008, Verherstraeten, back then leader of the Flemish Christian-Democrats (CD&V) in the lower house of the Belgian Parliament, introduced in the House of Representatives the draft law 739 establishing "*various measures concerning confiscation of business assets*". The bill would have made it almost impossible for investigating judges to confiscate diamonds. Confiscation of fraudulent assets would have been possible only with the prior approval of "*an authorized person having solid experience in the industry*". Simply put it, Belgian authorities would have needed AWDC's approval to confiscate diamonds. See the document here: <http://www.lachambre.be/FLWB/PDF/52/0739/52K0739001.pdf>

or read [diamond confiscation bill 2008](#).

Belgian judiciary reacted with anger to the initiative, accusing federal Parliament of acting on behalf of the diamond lobby. "*Enough is enough*", said the Belgian Association of Investigating Judges in February 2008. "*This bill is a blatant violation of the separation of powers.*"

Diamond politicians

Six federal MPs co-signed Servais Verstraeten's 2008 bill: Ludo Van Campenhout, Melchior Wathelet, Marie-Christine Marghem, Renaat Landuyt, Bart De Wever, and Mia De Schamphelaere.



The screenshot shows the website of the Chamber of Representatives (LA CHAMBRE.BE). At the top, there is a navigation menu with items: Les Membres, La Chambre, Documents, Vous et la Chambre, and Publications. The main content area displays a document titled "Document parlementaire 52K0739" with the subtitle "Proposition de loi relative à diverses mesures relatives à la saisie de biens d'entreprise." Below this, there is a detailed metadata table.

	Fiche complète
	CADUQUE CHAMBRE
Date de dépôt	30/01/2008
Article Constitution	78 procédure bicamérale optionnelle
Documents principaux	00/000-K0739/001-2007/2008-0
Document Chambre	 52K0739001 156 Kb PROPOSITION DE LOI - CHAMBRE Législature : 52 - Session : 2007/2008-0
Date de dépôt	30/01/2008
Type de document	05 PROPOSITION DE LOI
Prise en considération	31/01/2008
Date de distribution	01/02/2008
Date d'envoi	31/01/2008
Auteur(s)	<input type="checkbox"/> Servais, Verherstraeten CD&V - N-VA (AUTEUR) <input type="checkbox"/> Ludo, Van Campenhout Open Vld (AUTEUR) <input type="checkbox"/> Melchior, Wathelet cdH (AUTEUR) <input type="checkbox"/> Marie-Christine, Marghem MR (AUTEUR) <input type="checkbox"/> Renaat, Landuyt sp.a-spirit (AUTEUR) <input type="checkbox"/> Bart, De Wever CD&V - N-VA (AUTEUR) <input type="checkbox"/> Katrien, Schryvers CD&V - N-VA (AUTEUR) <input type="checkbox"/> Jef, Van den Bergh CD&V - N-VA (AUTEUR)
Commentaire	BIENS D'ENTREPRISE - SAISIES - INJONCTION DE CONSERVATION
Sous-documents	 002 [33 Kb] 01/02/2008 ADDENDUM Date de distribution 01/02/2008
Date de caducité	07/05/2010
COMMISSION CHAMBRE	JUSTICE (PUBLIC)
Rapporteur	Nyssens, Clotilde cdH
Calendrier	04/03/2008 EN REUNION
Compétence	30/01/2008 MATIERE VISEE A L'ARTICLE 78
Descripteur Eurovoc principal	DROIT PENAL
Descripteurs Eurovoc	DROIT PENAL ENTREPRISE PROCEDURE PENALE SAISIE DE BIENS CONFISCATION DE BIENS

Ludo Van Campenhout, at that time member of Open Flemish Liberals and Democrats (Open VLD), is currently a member of the Flemish Parliament representing the NVA and vice-mayor of

Antwerp. Former minister of Justice Melchior Wathelet (Humanist Democratic Centre – CDH) was appointed advocate-general at the European Court of Justice in October 2012. Marie-Christine Marghem (Reformist Movement – MR) is Federal Minister of Energy, Environment and Sustainable Development in the Michel Government. Renaat Landuyt (Socialist Party Differently – sp.a) became the mayor of Bruges in 2012. New Flemish Alliance (NVA) president Bart De Wever was elected mayor of Antwerp in 2012. Mia De Schamphelaere (CD&V), who was presiding over the Justice Committee of the Belgian Chamber of Representatives at that time, is currently First Judge at the Court of Auditors.

Two of the bill's sponsors, Ludo Van Campenhout and Mia de Schamphelaere, failed to be re-elected in June 2010 election. The others continued to serve diamond industry's interests in the Federal Parliament. In December 2010, Servais Verherstraeten, Bart De Wever, Marie-Christine Marghem, Renaat Landuyt, and Melchior Wathelet became members of the Diamond Club, the parliamentary arm of the AWDC that pushed for the law regarding the enlarged transactions.

<http://www.opensourceinvestigations.com>

Facing growing opposition from the Belgian judiciary, Verherstraeten and his colleagues dropped the diamond confiscation bill in April 2010. But AWDC's lawyers had already prepared a much bolder bill: an amendment to the Code of Criminal Procedure, extending the scope of criminal transaction.

„I made a commitment to the Zimbabwean minister of Mines to help lift the European Union sanctions on Zimbabwe Mining Development Corporation and I worked extremely hard to keep these promises”. As strange as it may seem, it was not a government official or a politician who made that statement. It was Antwerp World Diamond Centre’s chief executive officer Ari Epstein.

AWDC’s CEO was addressing Zimbabwe Parliament in March 2014. And he was telling the truth. AWDC, a business association representing Antwerp’s diamond industry, was crucial in having the EU imposed sanctions on Zimbabwe lifted.

AWDC is the most powerful lobby group in Belgium. It was them who successfully lobbied on behalf of Mugabe regime. It was them who, in 2014, assisted Cote d’Ivoire on resuming diamond trade. It was them who, back in 2011, wrote and pushed for the Belgian reform of the Code of Criminal Procedure, extending the scope of judicial transactions.

Mugabe’s blood diamonds

Antwerp World Diamond Centre (AWDC) pushed for the sanctions imposed on Zimbabwe by the European Union to be removed, regardless of the human rights abuses and corruption of the Mugabe regime. Zimbabwe is the world’s fifth largest producer of diamonds and AWDC is the main hub of Europe’s diamond trading sector.

One of the entities placed on the European Union’s sanctions list, state-owned Zimbabwe Mining Development Corporation (ZMDC) operates several joint-venture mines in Marange fields (eastern Zimbabwe), home to one of the world’s richest but also controversial diamond mining areas. More than 200 people were massacred in Marange in 2008, when the military cleared the area and took control over the diamond fields. Helicopter gunships opened fire on the freelance miners, whose bodies were later dumped in mass graves. In 2011, a torture camp for miners run by Zimbabwe’s security forces was discovered in Marange. Human Rights Watch and Global Witness published detailed evidence indicating that miners in Marange are mauled by dogs and beaten by private security officers.

Revenues from ZMDC’s diamond ventures are siphoned off by President Mugabe’s ruling party ZANU-PF and the military. Ordinary Zimbabweans have never benefitted from the discovery of the diamonds fields. 93-year old Robert Mugabe, who will celebrate 30 years in office in 2017, runs a despotic and corrupt regime. As revealed by OSI, three-quarters of Zimbabwe’s population live below the poverty line. Minimum wages start at \$26 a month. Chronic food shortages and malnutrition are widespread. (<http://www.opensourceinvestigations.com/>)

A glowing appraisal of regime’s mining sector

AWDC’s lobbying campaign started in 2010. In November 2010, barely two years after the Marange massacre, a large delegation from the AWDC toured the Zimbabwean diamond mines. The delegation comprises executives representing more than 20 Antwerp-based diamond companies, including highly controversial Rosy Blue or Omega Diamonds. It was a so-called “*high-level fact-finding mission*”. Not surprisingly AWDC gave a glowing appraisal of the situation.

According to regime’s media, the AWDC delegation “*applauded*” ZMDC’s activities in Marange fields for “*operating professionally.*” The visit, Zimbabwe officials said, signalled “*the EU’s sincerity and commitment to building diamond trade relations with Zimbabwe.*”

AWDC conducted a huge lobbying operation. While AWDC's representatives continued to visit Zimbabwe, assuring Mugabe of their full support, the diamond lobby demanded the intervention of Belgian Government. The Di Rupo government responded promptly.

AWDC's political arm: Di Rupo and Reynders

In February 2013, Belgium became the first European Union member to request the diamond sanctions on Zimbabwe be lifted. Belgian minister of Foreign Affairs Didier Reynders (Mouvement Réformateur – MR) asked his colleagues in the EU to take ZMDC off the sanctions list. The pretext: Zimbabwe 2013 general election. A positive signal to Mugabe regime, Reynders argued, would encourage a fair vote. Echoing AWDC's appraisal, Belgian Foreign Minister claimed the situation in Marange diamond mines has completely changed. Not only the sanctions against ZMDC were no longer justified, but they were “*counter-productive*” by diverting diamonds to less transparent markets.

In July 2013, Mugabe was re-elected for a seventh term as President and his party won a two-thirds majority in the Parliament in an election marred by violence and vote-rigging. International observers noted serious irregularities, the US and UK said the results were not credible and asked for an investigation, and Zimbabwean oppositions called the vote a fraud.

Prime Minister Elio Di Rupo (Parti Socialiste – PS) and his government ignored the evidence linking ZMDC to Mugabe's corrupt regime and offered a completely different assessment of the Zimbabwe's flawed elections. AWDC's supporters in Belgian politics argued that Mugabe regime has met all the conditions the EU was demanding.

Facing mounting pressure from Belgium, the EU revoked all sanctions against the ZMDC in September 2013.

Antwerp Diamond Lobby: “Mugabe regime is family”

Mugabe knew exactly who to thank for the EU decision. In November 2013, AWDC was already hosting a Zimbabwean delegation in Antwerp. “*You are now part of the diamond trading family,*” AWDC's CEO Ari Epstein told Mugabe's representatives. A first auction of Marange diamonds was conducted at Antwerp in December 2013.

The relationship between AWDC and the Mugabe regime remained special. In April 2011, Grace Mugabe was refused a visa to attend the European Union – African Union summit in Brussels. Robert Mugabe didn't blame the EU or the Belgian Government. The dictator said AWDC should have fought for his wife's visa.

AWDC is the most powerful lobby group in Belgium. The Antwerp diamond traders are also very self-important. It was them who successfully lobbied on behalf of Mugabe regime and they told Zimbabwean MPs about their “extremely hard work”. It was them who, in 2014, assisted Cote d'Ivoire on resuming diamond trade after eleven years of UN imposed sanctions and they bragged about it. It was them who, back in 2011, wrote and pushed for the Belgian reform of the Code of Criminal Procedure, extending the scope of judicial transactions. And again, they publicly congratulated themselves, issuing a statement on the “substantial contribution in the creation of new legislation extending the possibilities to conclude an amicable settlement.”

(<http://www.opensourceinvestigations.com/>)

OSI offered ample evidence that the law voted on 14 April 2011 in the Belgian Parliament amending the Code of Criminal procedure by allowing prosecuted individuals and companies to enter into transactions with the Public Prosecutor to terminate the public prosecution of offences – the so-called “extended criminal transaction” – was in fact drafted and promoted by the diamond lobby in Anvers, with ample support from Belgian politicians (see here: <http://www.opensourceinvestigations.com/> and here: <http://www.opensourceinvestigations.com/> for more details).

However, one question remains unanswered: why the rush? What shocked many Belgians was not only the amendment in itself, but also the way it was fast forwarded into law. The move was so swift that the general public was caught by surprise.

Given the surprise, it's no wonder that conspiracy theories began to circulate. One such theory, highly promoted by the Belgian media, states that the culprit was Patokh Chodiev, an Uzbek oligarch with Belgian citizenship.

No matter how hard some tried to conceal the real culprits, OSI managed to see through the smokescreens and to reveal the true facts.

OSI can now show how the haste manifested by the Belgian MPs when they voted for the extended criminal transaction in April 2011 was prompted by the diamond lobby in Anvers, whose interests were threatened by the huge scandal that was eventually known as Swissgate.

Chronology

In December 2008, an employee of the British bank HSBC's Swiss branch, Herve Falciani, was arrested by the Swiss authorities. Falciani stole data on 30,000 HSBC accounts, covering the period 2005-2007, and intended to sell this data to the highest bidder. The accounts belonged to people and companies who used them to avoid paying taxes in their home countries.

Falciani managed to flee to France, where he was arrested by the French authorities, who in January 2009 began to investigate the data.

On 7 July 2010, the Belgian fiscal authority – Inspection spéciale des impôts (ISI) – received from the French authorities all the data regarding the Belgian owners of HSBC accounts. There were 3,002 secret accounts owned by Belgian individuals and companies, and 916 of them were held by diamond dealers in Anvers.

On 9 September 2010, the public prosecutor in Anvers, Peter Van Calster, received from ISI the data regarding the diamond dealers in Anvers who had bank accounts at HSBC Switzerland. Although the information was not made public, 8 days later, on 17 September 2010, Van Claster and the general attorney of Anvers, Yves Liegeois, met with Axel Haelterman and Raf Verstraeten, both law professors and lawyers working with the Antwerp World Diamond Centre (AWDC), an umbrella foundation representing the interests of the diamond traders in Belgium.

Axel Haelterman and Raf Verstraeten were the people who in 2009 drafted what would later become the amendment on the extension of criminal transaction.

Since Liegeois knew Haelterman and Verstraeten well (it was in his office that the two lawyers from AWDC presented the draft proposal to extend the scope of criminal transactions in 2009), it is no

surprise that he, along with the two lawyers, favored a negotiated solution in the case of the secret HSBC bank accounts. Van Calster, on the other hand, asked for full cooperation and complete transparency from the representatives of the diamond dealers, which they refused.

Liegeois was not happy with Van Calsten's insistence and began pressuring him. These pressures eventually ended Van Calsten's career as a prosecutor. (source: <http://www.hrj.be/>)

The HSBC scandal posed a direct and immediate threat to many influential diamond dealers in Anvers, who suddenly faced the prospect of going to jail if countermeasures were not taken quickly.

On 2 December 2010, a number of Belgian MPs founded "The Diamond Club" ("Diamantclub" in Dutch), an informal and secretive group aimed to offer parliamentary support to the diamond traders in Anvers. The president of the Club was Jan Jambon, and the vice-presidents were Willem-Frederik Schiltz and Servais Verherstraeten. All the Flemish MPs were invited to join the club. "We want to unite in the "Diamantclub" all the politicians who defend the values and the interests of the diamond trade," the invitation said.

The diamond traders in Anvers with secret bank accounts at HSBC began to feel even more pressure when in late January, early February 2011 they began to receive notifications from the Belgian fiscal authorities. They were notified that they were suspects, and therefore under investigation, for possible fiscal frauds (see here, page 12: <https://www.dekamer.be/>).

We know the rest. The project of law concerning various provisions entered the Belgian Parliament on 24 February 2011. On 3 March 2011, a series of amendments were proposed. Among them was the amendment 18, extending the scope of the criminal transaction. The amendment was introduced by Servais Verherstraeten, the vice-president of the Diamond Club.

Verherstraeten had the full support of Didier Reynders, back then Belgium's government deputy prime-minister. Reynders, although not a member of the Diamond Club, was a longtime supporter of the diamond traders in Anvers. (Even the then prime-minister Yves Leterme publicly admitted that Reynders "was very active on this matter, and took the enlarged transaction to his heart.")

For instance, Reynders heavily supported the diamond traders in 2009, when they asked to be treated differently and more favorably by the law. (source: <http://www.lachambre.be/>, page 20)

To sum it up, it was the sudden and direct threat coming from the Belgian fiscal authorities and the Public prosecutors in Anvers in connection with the HSBC tax evasion scandal that prompted the diamond lobby to regroup and to act hastily.

These are proven and public facts that explain in great detail why the extended transaction was introduced so quickly in March 2011 and voted one month later. However, you won't see these facts discussed by the very parliamentary commission who was formed precisely to discuss them.

Judicial documents seen by OSI reveal that Belgian investigators asked for assistance from South African authorities in a criminal inquiry against Omega Diamonds and Sylvain Goldberg. In October 2008, during the search and seizure operation at Omega's offices in Antwerp, Belgian authorities discovered documents related to a South African company. A magistrate in Antwerp submitted a Letter of Request to South African authorities in December 2008, asking for a search of the premises of the South African company and the seizure of documents related to Omega. South Africa acceded to the Belgian request, but the decision was challenged in court by a Dubai-based firm. In June 2013, South African authorities won a long legal battle and the documents were turned over to Belgian prosecutors. South Africa's efforts were in vain. Belgian prosecutors and tax authorities decided not to wait for the documentary evidence they had required from South Africa and entered into a settlement with Omega Diamonds in May 2013. The 2011 enlargement of the criminal settlement law, drafted by the Antwerp diamond lobby and endorsed by the diamond sector's friends in Belgian Parliament, saved Omega Diamonds and Sylvain Goldberg.

Forgery, tax fraud and money laundering

In October 2008, Belgian federal police raided the premises of Antwerp-based Omega Diamonds BVBA, a major player in the diamond market. The raids resulted in a record seizure of \$150 million worth diamonds.

Belgian authorities were investigating criminal charges against Omega Diamonds and its CEO, Belgian national Sylvain Goldberg. Omega and Goldberg were accused of forgery, tax fraud and violations of the Belgian Codes dealing with income tax and money-laundering. The tax fraud was estimated to total between 2 and 3 billion euros.

Judicial documents seen by OSI show that Omega imported diamonds from Angola and the Democratic Republic of Congo through Dubai into Antwerp. During the transfer, documents were manipulated, which allowed Omega Diamonds to conceal the origin of the diamonds. Omega ordered the shipment of diamonds purchased in Angola and the DRC to be delivered to entities located in Dubai. Upon arrival in Dubai the diamonds were repacked and exported to Antwerp. The new shipment, marked "*diamonds of mixed origin*", was issued with an invoice addressed to Omega wherein the value of the diamonds was artificially increased. In so doing, Omega was able to hide its additional profit from Belgian tax authorities.

[9] The letter recorded how Omega and Goldberg were implicated in the alleged criminal activities. It stated that Omega imported diamonds from Angola and Congo through an associated company in Dubai into Belgium. Omega ordered the shipment of diamonds purchased in Angola and Congo in accordance with the legally required Kimberley Certificates, for delivery to the appellant (or other entities not relevant for this case) located in Dubai. The diamonds were packed in small parcels. Upon arrival in Dubai the small parcels were retained but repacked into larger parcels, containing diamonds from both Angola and Congo, without physically mixing the stones. Thereafter the new shipment of diamonds was provided with a new Kimberley Certificate indicating that the shipment emanated from the United Arab Emirates and marked 'diamonds of mixed origin'. The new shipment was issued with a new invoice made out by the appellant and addressed to Omega wherein the value of the diamonds was increased by between 20 and 31 per cent. In so doing it was said that the value of the diamonds was artificially increased, generating profits which were kept secret from the Belgian tax authorities.

Source: The Southern African Legal Information Institute (SAFLII)

During the search and seizure operation at Omega's offices in Antwerp, Belgian authorities discovered invoices revealing that Tulip Diamonds FZE, Omega's main intermediary in Dubai, hired Brink's Southern Africa Pty Ltd for transporting the diamonds from Angola and DRC to Dubai. Tulip Diamonds is a company registered in the United Arab Emirates operating from the free

zone area at the Dubai International Airport. Brink's is a courier service based in South Africa.

“In view of our mutual interest to combat crime on an international level”

OSI has seen South African judicial documents revealing that Belgian investigators asked for assistance from South African authorities in the criminal inquiry against Omega Diamonds and Sylvain Goldberg. On 23 December 2008 the Court of First instance in Antwerp, at the direction of the Public Prosecutor in Antwerp, issued a Letter of Request to South African authorities. The request, submitted by “*Office of Examining Magistrate B De Hous, Antwerp*”, was made in terms of the provisions of the International Co-operation in Criminal Matters Act and in view “*of the good relations between Belgium and South Africa and the mutual interest for both States to combat crime on an international level*”. Belgian police officers travelled to South Africa to provide documents in support of their request.

[8] In view of Brinks' involvement, on 23 December 2008 Belgian authorities issued the Request to South African authorities to obtain evidence from Brinks to further the investigation. The Request was made “[i]n view of the good relations between [Belgium and South Africa] and the mutual interest for both States to combat crime on an international level”. The Request contains identification information for the two subjects of the investigation, citations to the relevant Belgian criminal provisions and a statement of facts. The Request states unequivocally that investigators do not consider Brinks a possible perpetrator, co-perpetrator or accomplice. It then outlines several demands for information, both documentary and oral, regarding Brinks. Included in these demands is information on Brinks' business activities with other companies. One of those companies is Tulip. The two specific demands concerning Tulip implore the South African authorities—

The request was for a search of the premises of Brink's and the seizure and copying of all invoices and other documents related to the transporting of diamonds to various companies in Dubai within the period commencing on 1 January 2003 and ending on 3 September 2008. The South African authorities were also asked "*to interview the responsible persons of Brink's on the diamond transports made, invoicing and relationship which they had with the Omega Diamonds in Antwerp.*"

"To inspect the administration and bookkeeping of BRINKS in SOUTH AFRICA in order to:

- (a) compare and investigate the nine invoices coming from BRINKS SOUTH AFRICA which were found in the office of OMEGA DIAMONDS (and which will be in possession of the Police Officers travelling to South Africa).
- (b) search and establish other similar transports made from ANGOLA and CONGO to DUBAI.
- (c) search and investigate all invoices and diamond transports made for and to the following companies in DUBAI (UAE): TULIP DIAMONDS, ORCHID, CONDA DIAMONDS, ASTER, and GEM ROUGH DIAMONDS, including IAXHON on the British Virgin Islands.

...

At BRINKS SOUTH AFRICA to seize and take copy of all relevant documents (including invoices, Kimberley Certificates, packing lists, shipment dockets, documents in relation to insurances taken, instructions, correspondences, co-ordinates of principals/intermediaries, received instructions, meetings/conversations held, etc.).

To interview the responsible persons of BRINKS on the diamond transports made, invoicing and relationship which they had with the OMEGA DIAMONDS in Antwerp." (Emphasis added.)

Source: The Southern African Legal Information Institute (SAFLII)

Belgian authorities made it clear that the information disclosed pursuant to their request would be used only for the investigation into one entity – Omega Diamonds and one individual – Sylvain

Goldberg.

South Africa's efforts on behalf of Belgium

South African Minister for Justice and Constitutional Development, upon a recommendation from his Director-General, acceded to the Belgian request. A South African magistrate to whom the matter was referred found that there were reasonable grounds for believing that an offence had been committed under Belgian law and issued a subpoena to Brink's ordering that the evidence be disclosed.

The South African company was willing to comply with the subpoena, but the Dubai-based Tulip Diamonds challenged the lawfulness of the decisions taken by South African authorities to carry out the Belgian request. Tulip contended that the documents were private because they contained private business information, implicating private interests. Both the High Court and the Supreme Court of Appeal held that Tulip failed to prove that the documents were confidential. Read the document here: [Omega Tulip South Africa Supreme Court of Appeal](#)

Tulip Diamonds approached the South African Constitutional Court seeking leave to appeal against judgement of the Supreme Court of Appeal. The Constitutional Court granted leave to appeal, but dismissed the appeal. As a result, 18 documents were turned over to Belgian authorities. Read the document here: [Omega Tulip South Africa Constitutional Court](#)

The enlarged settlement law and Belgian authorities' complicity

South African authorities won the legal battle with Tulip Diamonds. But the victory was meaningless. The Constitutional Court heard the matter between Tulip Diamonds and the South African authorities on 26 February 2013 and decided on 13 June 2013. At that date, Omega Diamond and Sylvain Goldberg were no longer prosecuted in Belgium.

On 3 May 2013, Omega Diamonds sealed a deal with the Antwerp Prosecutor's office and special Tax Inspection. The company agreed to pay a settlement of \$218.7 million (EUR 160 million).

South African authorities' efforts were in vain. Belgian prosecutors and tax authorities decided not to wait for the documentary evidence they had required from South Africa. Couple of weeks before the South African Constitutional Court verdict, the Belgian authorities entered into a settlement with Omega Diamonds. The Belgian state was no longer interested in "*combating crime on an international level.*"

It was the 2011 extension of the scope of criminal transaction that made the Omega Diamonds settlement possible. The new criminal settlement law, which was initiated and written by Antwerp World Diamond Centre and endorsed by the group of Belgian MPs serving the interests of the diamond sector, saved Omega Diamonds and Sylvain Goldberg.

It has taken Belgian Parliamentary Inquiry Commission four months to discover the obvious: the enlargement of the criminal *settlement law* was drafted by the Antwerp diamond lobby in 2009. On 10 April 2017, Dirk Van der Maelen, the president of the commission, bragged in an interview: "*We have now discovered in the inquiry that the Verherstraeten text is the same as the proposal which was tabled for the first time in an inter-cabinet working group of the government in 2009. And from that text we know the basis of it was written by lawyers for the AWDC. So the basis of the law in*

2011 was the work of the advisors of the diamond industry.”

What the Parliamentary Commission hasn't discovered yet is that the settlement law was endorsed by the Belgian politicians serving the interests of the diamond sector. Their main purpose was to settle the biggest fraud case in Belgium history: Omega Diamonds' multi-billion money laundering scheme.

Chances are Omega Diamonds executives and its lawyers will never be called to testify in front of the Parliamentary Inquiry Commission. The Commission will never ask the Belgian law enforcement agencies about Omega Diamonds. The Belgian MPs will never reveal the whole truth about the settlement law. They will never incriminate themselves.

The mother of all frauds

On 15 October 2008, Belgian law enforcement officers conducted a search and seizure operation at the Omega Diamonds' premises. The operation was part of an investigation started in 2006 when a former employee turned whistle-blower went to the US Embassy in Brussels and tipped off CIA and FBI to Omega Diamonds' trans-national money laundering and tax fraud scheme.

The tax fraud was estimated to total between 2 and 3 billion euros. OSI has shown that Omega Diamonds, which had long held a monopoly on Angolan diamonds, had traded diamonds from Africa for years, avoiding taxes by transacting deals through Dubai then moving the profits back to Belgium. <http://www.opensourceinvestigations.com/> Omega Diamonds, a company established only in 1994, had become the second largest importer of rough diamonds in Antwerp, after De Beers. Omega officially realized a turnover of 700 million euros in 2006. The net profit was 40%.

Belgian authorities had confiscated diamonds from the Antwerp dealers before, but the raids at Omega Diamonds resulted in a record seizure of \$150 million worth diamonds. Antwerp World Diamond Centre (AWDC), the umbrella organization representing and lobbying on behalf of the diamond traders, condemned the seizure in a press conference on 20 October 2008. “Omega Diamonds is an essential part of the Antwerp diamond trade, AWDC's CEO said. The seizure could be fatal to the entire sector”. Calling for „realism and pragmatism,” and threatening with the relocation of the industry, AWDC publicly asked the law enforcement agencies to release the seized diamonds „before it is too late.”

Government support for the “vulnerable” diamond traders

AWDC CEO also publicly asked for political support: „We need the government support more than ever”. And Belgian politicians' response was prompt and generous.

*First, Minister of State **Mark Eyskens (CD&V)** a venerable politician, former Prime Minister, Minister of Foreign Affairs and Minister of Finance, was sent to Antwerp with a clear message: the political establishment supports the diamond traders. Eyskens joined AWDC's CEO at the press conference, deploring “the diamond sector's vulnerability” and accusing law enforcement of “damaging the reputation of the diamond industry”.*

*Then, in November 2008, Belgian Minister of Justice **Jo Vandeurzen (CD&V)** asked prosecutor general **Yves Liegeois** to work with the diamond lobby on resolving the Omega Diamonds scandal. **Vandeurzen's** request was reinforced by her successor **Stefaan de Clerck (CD&V)**. A series of*

meetings between the diamond lobby and Belgian authorities took place, most of them held in Antwerp. AWDC drafted a bill proposing the enlargement of the criminal settlement law, and provided an explanatory memorandum in support of the bill.

*In 2009-2010, an inter-ministerial working group discussed the bill. But Belgium was in the middle of its longest government crisis. Although the bill had the full support of government officials like minister of Justice **Stefaan de Clerck** or Deputy Prime Minister and Minister for Finance **Didier Reynders (MR)**, the federal government was weak and instable. So the diamond lobby turned to its friends in the federal Parliament.*

A law for the benefit of our friends in Antwerp

*In October 2008, the Belgian Parliament was already discussing a bill meant to block law enforcement from confiscating illegal diamonds. The bill, written by AWDC's lawyers, had been introduced by **Servais Verherstraeten (CD&V)**, **Bart De Wever (NVA)**, **Marie-Christine Marghem (MR)**, **Renaat Landuyt (SPA)**, **Melchior Wathelet (CDH)**, **Ludo Van Campenhout (Open VLD)**, **Katriene Schryvers (CD&V)** and **Jef Van den Bergh (CD&V)**. <http://www.opensourceinvestigations.com/>*

When the Omega Diamonds scandal broke, it became clear that a diamond confiscation law was no longer enough and the bill was dropped in April 2010.

*A few months later, in December 2010, the sponsors of the 2008 bill became members of a secretive group, "The Diamond Club", in fact a parliamentary arm of the AWDC. Diamond Club's goal was to push for the **enlarged settlement law**. The president of the Club was **Jan Jambon (NVA)**, and the vice-presidents were **Willem-Frederik Schiltz (Open VLD)** and **Servais Verherstraeten (CD&V)**. <http://www.opensourceinvestigations.com/>*

*On 24 February 2011, an amendment to the Code of Criminal Procedure was introduced in the Belgian Parliament. The amendment was introduced by the Diamond Club's vice-president **Servais Verherstraeten** and co-sponsored by **Sonja Beck (CD&V)** and **Raf Terwingen (CD&V)**. Adopted by a large majority, the bill became law on 14 April 2011. It became possible for companies and individuals *suspected of tax evasion to enter into a settlement with the authorities.**

*On 6 May 2011, the same day in which the settlement law was published in the Belgian Official Gazette, **Willem-Frederik Schiltz**, vice-president of the Diamond Club, declared that the Antwerp diamond sector is "hyper-transparent". Schiltz was visiting AWDC headquarters in Antwerp in a trip organized by the Diamond Club for a group of 20 MPs. **Willem-Frederik Schiltz** is the son of Hugo Schlitz, a Flemish nationalist politician associated with the Antwerp diamond lobby.*

How to close a multi-billion money laundering case

*On 3 May 2013, Omega Diamonds sealed a deal with the Antwerp Prosecutor's office and special Tax Inspection. The company agreed to pay a settlement of \$218.7 million (EUR 160 million) to avoid being prosecuted for tax-evasion and money laundering. **John Crombez (SPA)**, secretary of state in charge of the fight against fraud, said he was happy a settlement had been reached in the Omega Diamonds case.*

The settlement cleared Omega Diamonds of all charges. According to the diamond company's

lawyers, neither the executives, nor Omega “*have admitted or been found guilty of any criminal wrongdoing, and the settlement with the Belgian authorities does not constitute any admission of criminal guilt.*”

The 160 million euro deal was the largest settlement in the history of Belgium.

It was also a sum representing only 5 to 8 percent of the estimated tax fraud.

With big thanks to: <http://www.opensourceinvestigations.com>

Note:

I just wanted a website to handle about health and alternative cancer cures. Than I heard 'hoaxwijzer.be' and 'De Tijd' were calling me anti-Semitic. From my experience I know that a lot of fools have beautiful positions to feed PR stunts around the World. Both mentioned are loaded with this kind of untrustworthy people. But, they used a word from which they don't know the meaning. So, I started a war against the complete MSM. EU and Belgian establishment included.

Only TRUTH has to exist. If we cannot trust our newspapers and politicians, rule them out with truth.

Never look for a fight with people who KNOW! EVER! You will have a war on your hand you can and will never win.

Governments, multinationals and banks are legalised Mafia-organisations!