



מדינת ישראל

THE STATE OF ISRAEL

משרד המשפטים

THE MINISTRY OF JUSTICE

בקשה לעזרה משפטית בעניין פלילי

REQUEST FOR LEGAL ASSISTANCE IN A
CRIMINAL MATTER





State of Israel

Ministry of Justice

Office of the State Attorney

Jerusalem

To: The Competent Authorities of the Republic of Cyprus

Request for Legal Assistance in a Criminal Matter

1. The State of Israel hereby submits this request for legal assistance, including the issuance of letters rogatory, pursuant to the European Convention on Mutual Legal Assistance and pursuant to the United Nations Convention against Corruption (hereinafter: "**the Convention**") to which conventions both the State of Israel and the Republic of Cyprus are party. The present request seeks assistance in connection with the investigation of possible criminal offenses including bribery of a foreign public official, fraud and money laundering, the details of which are set out below.
2. This request is signed and submitted by the Deputy Director of the Department of International Affairs in the Ministry of Justice of the State of Israel, who is authorized to sign and submit such requests for mutual legal assistance on behalf of the State of Israel.

Factual Background

The Israeli Investigation of Foreign Bribery in Guinea

3. The Israel National Police (National Fraud Investigations Unit) has been conducting an investigation into suspicions that Israeli national **Beny Steinmetz** (Israel ID No. 054010731; DOB: 2/4/1956) (hereinafter: "**Steinmetz**") may have

been involved, together with others, in the illegal payment of bribes to public officials of the Republic of Guinea in order to promote Steinmetz's business interests in Guinea, particularly regarding the mining of iron ore.

4. Steinmetz is a major international businessman. He is understood to conduct operations throughout the world via a network of corporations engaged in, *inter alia*, mining and extraction of natural resources, real estate, diamonds, and venture investment. The suspicions which led to the opening of the Israeli investigation request related to Steinmetz's business interests in the mining of iron in the Republic of Guinea. It is suspected that Steinmetz, along with others, caused payments to be made to **Ms. Mamadie Toure** (hereinafter: "**Toure**"), the wife of **Lansana Conte**, the former president of Guinea. These bribe payments are suspected of having been rendered in return for President Conte's assistance in the extension of an exclusive mining contract between Guinea and Steinmetz's company "**Beny Steinmetz Group Resources**," (hereinafter: "**BSGR**") regarding the **Simandou Project**, a major mining project. The bribes were also intended to assure that Toure would not cooperate with law enforcement authorities investigating the bribery scheme.
5. The Israeli police investigation was initiated and furthered on the basis of information that was received in the context of mutual legal assistance requests received from other states investigating these offenses. These included the United States of America, Switzerland and the Republic of Guinea itself.
6. The evidence and information in the Israel investigation indicated that Steinmetz and the other suspects in this matter utilized a network of foreign corporations and bank accounts to pursue the suspected bribery. These included an entity **Pentler Holdings**, set up and owned by **Michael Noy**, **Avraham Lev Ran** and **Frederic Cilins**, which between March of 2006 and March 2008 held a 17.65 % share of BSGR Guinea. The investigation has also revealed the involvement of BSGR executive and Israeli national **Asher Avidan** in the transactions and offenses being investigated.
7. Israel has been cooperating with all the other jurisdictions investigating this matter through applicable international instruments including UNCAC.

Indications of Further Illegal Payments by Steinmetz involving Ofer Kerzner

8. The Israeli investigation of possible criminal offenses by Steinmetz and several of his associates took a new turn when one of Steinmetz's associates, **Ofer Kerzner** (hereinafter: "**Kerzner**"), an Israeli national who resides and conducts business in Ukraine, became a cooperating witness in the Israeli investigation. The information received from Kerzner indicates that Steinmetz and Kerzner have been involved in a number of real estate transactions in Ukraine and the United States. These business transactions were conducted through a company **Scorpio Real Estate Ltd.** (hereinafter: "**Scorpio**"). At the times relevant to this request, Scorpio was owned by Steinmetz, or by entities under his control and its Chairman was Israeli national **David Granot**, another suspect in this matter.
9. According to the Israeli investigation, during 2009, Steinmetz approached Kerzner and proposed that he transfer to him some 9 million Euros, for Kerzner to hold "in trust" for Steinmetz. Kerzner was supposed to transfer those sums in accordance with instructions that would be given to him by Steinmetz. To provide an ostensible basis for the transfer of this money from Steinmetz to Kerzner a phony agreement was fabricated between Steinmetz and Kerzner that purportedly involved a real estate transaction involving land which Kerzner supposedly agreed to sell in Romania.
10. In 2010, further transfers of 2.5 million Euro and 1.5 million dollars were made from Steinmetz to Kerzner. Here too the transfers were accomplished under the cover of the fictitious Romanian real estate transaction.
11. From 2010 on, Steinmetz would provide Kerzner with instructions to pass funds on to persons or entities from the above funds that Steinmetz had transferred into Kerzner's account. To explain these transfers, fictitious agreements were again written, generally either loan agreements or service contracts.
12. Several of the transfers that Kerzner conducted at Steinmetz's instructions were made either by Kerzner or by a shell company under his control **Chaweng Global Ltd.** (hereinafter: "**Chaweng Global**"), and, in particular from the account of Chaweng Global at **Julius Baer Bank in Zurich Switzerland, Account no. 2120.333.01 0303.9331** (hereinafter: "**the Chaweng Global Account**").

The Transfers to Bank of Cyprus

13. Among the transfers made out of the Chaweng Global Account, in accordance with Steinmetz's instructions to Kerzner, were the following transfers to accounts at the Bank of Cyprus in Nicosia :

- a. On April 15, 2011 Kerzner transferred \$750,000 to account **01554076043506** at Bank of Cyprus in Nicosia via SWIFT transfer **SWIFT: BCYPCY2N; IBAN No. CY14 0020, 0155 0000 0001**. The payment was made to a company "Strategicom" connected to Israeli national **Tal Silberstein** for services ostensibly provided by that company. The contractual agreement is believed by the Israel Police to be a phony agreement and the services provided are believed to be fictitious;
- b. On June 21, 2011, Kerzner transferred another \$250,000 to another account **0155010867700** at Bank of Cyprus in Nicosia via SWIFT transfer **SWIFT: BCYPCY2N; IBAN No. CY14 0020, 0155 0000 0001**. Here too the payment was made to Strategicom for services ostensibly provided by that company. Here too the contractual agreement and the services provided are believed by the Israel Police to be fictitious;
- c. On September 15, 2011, Kerzner transferred another \$290,000 to account **0155010867700** at Bank of Cyprus in Nicosia via SWIFT transfer **SWIFT: BCYPCY2N; IBAN No. CY14 0020, 0155 0000 0001**. Here too the payment was ostensibly made to Strategicom for services provided by that company. Here too the contractual agreement and the services provided are believed by the Israel Police to be fictitious;

Attached hereto as Attachment A are the bank transfer documents relating to each of the above transfers to the Bank of Cyprus.

14. It is suspected by the Israel Police that the funds transferred from the Chaweng Global Account may have been intended to be further transferred for corrupt bribery payments in Guinea or elsewhere. In any case, however, such transfers on

the basis of phony and fictitious agreements and transactions themselves would constitute crimes of obtaining something by fraud, use of a forged document, false entries in corporate records and money laundering, all serious crimes under Israeli law.

The Suspects

15. The details of the primary suspects in the Israeli investigation are:

- a. **Benyamin (Beny) Steinmetz**, DOB 02/04/1956, Israeli I.D. Number: 054010731; Passport Number: 29002613
- b. **Michael Noy**, DOB 18/01/1951, Israeli I.D. Number: 05032815; Israeli Passport Number: 21239537
- c. **Avraham Lev Ran**, DOB 02/01/1951, Israeli I.D. Number: 050391457; Israeli Passport Number: 29006487
- d. **Asher Avidan**, DOB 26/05/1962, Israeli Passport Number: 10943860
- e. **David Granot**, DOB 30/01/1947, Israeli Passport Number: 25230900
- f. **David Brandt**, DOB 05/02/1968, Israeli Passport Number: 13488493
- g. **Yosi Techelet**, DOB 12/05/1971, Israeli Passport Number: 10946434

Purpose of the Request

16. The purpose of the request is to receive the records and evidence concerning the above transfers into the Bank of Cyprus and regarding the bank accounts into which those funds were transferred. This will allow the Israel police to further the investigation of this matter and will allow the Israeli prosecution to determine whether the suspects in this matter will be prosecuted in Israel.

Details of the Assistance Requested

Information and Evidence Regarding Accounts at and Transfers to the Bank of Cyprus

17. The Israeli authorities request to receive documents and bank records related to bank accounts **01554076043506** and **0155010867700** at the Bank of Cyprus into which Kerzner has indicated he transferred funds at Steinmetz's instructions in the three transfers described above. The bank information, documents and evidence provided should include but not be limited to:

- (a) Information regarding who holds, owns or ever has possessed signature authority over the account;
- (b) Original account signature cards;
- (c) Information and Documentation of the opening of the account;
- (d) Account ledger cards;
- (e) Periodic account statements with regards to the period January 1, 2010 through January 1, 2013;
- (f) Bank statements and bank records related to all funds and monies deposited, withdrawn, or transferred into or out of the account to third parties, particularly but not limited to the suspects in the Israeli investigation statements, with regards to the period January 1, 2010 through January 1, 2013;
- (g) Records of wire transfers including SWIFT transfers statements with regards to the period January 1, 2010 through January 1, 2013;
- (h) Correspondence to, from, or on behalf of the account holder;
- (i) Know your customer (KYC) documentation regarding the account.
- (j) Memoranda related to the account; and
- (k) Information and documentation relating to the closing of the account if it has been closed.

18. In particular, the Israeli authorities request to obtain all bank records, or documents related to the three fund transfers made from the Chaweng Account at

Bank Julius Baer into accounts **01554076043506** and **0155010867700** at the Bank of Cyprus, as described in paragraph 13 above.

19. The authorities of Cyprus are requested to provide any other assistance or evidence that may assist in the investigation of the offenses that are the subject of the Israeli investigation.
20. The authorities of Cyprus are requested to provide the Israeli authorities with copies of all statements taken, documents, evidence or information obtained or reports prepared pursuant to the execution of this request for legal assistance.

Relevant Sections of the Israeli Law

21. **Section 291A of the Israeli Penal Law** provides that:

Bribing a Foreign Public Official

(a) A person who gives a bribe to a foreign public official for an act in relation with his functions, in order to obtain, to assure or to promote business activity or other advantage in relation to business activity, shall be treated in the same manner as a person who commits an offence under Article 291.

(b) No indictment shall be issued in respect to an offence under this article unless given written consent from the Attorney General.

(c) For the purpose of this article:

"Foreign country" includes, but not limited to, any governmental unit in the foreign country, including national, district or local unit.

"Foreign public official" includes any of these:

(1) An employee of a foreign country and any person holding a public office or exercising a public function on behalf of a foreign country; including in the legislative, executive or judiciary branch of the foreign country, whether by appointment, by election or by agreement;

(2) A person holding a public office or exercising a public function on behalf of a public body constituted by an enactment of a foreign

country, or of a body over which the foreign country exercises, directly or indirectly, control;

(3) An employee of a public international organization, and any person holding a public office or exercising a public function for a public international organization;

"Public international organization" means an organization formed by two or more countries, or by organizations formed by two or more countries;

22. Section 290 of the Israeli Penal Law provides that:

(a) a public official who takes a bribe for an act in relation with his functions, is liable to ten years imprisonment or a fine, which is one of the following, whichever is higher:

(1) Five times the fine specified in Article 61(a)(4), and if the offence was committed by a corporation – ten times the amount specified in Article 61(a)(4).

(2) Four times the benefit obtained or intended to be obtained by the offence.

(b) In this Article, "public official" including an employee of a body corporate that provides a service to the public.

23. Section 291 of the Israeli Penal Law provides that:

Bribery

A person who gives a bribe to a public official as defined in Article 290(b), for an act in relation with his functions, is liable to seven years imprisonment or a fine as specified in Article 290(a).

24. Section 293 of the Israeli Penal Law provides that:

Method of bribery

In connection with bribe it is immaterial-

(1) Whether it consists of money, valuable consideration, a service or any other benefit;

(2) Whether it is given for an actor an omission, or for delaying, expedition or retarding anything, or for discriminating in favor of or against any person;

(3) Whether it is given for a specific act or to obtain preferential treatment in general;

(4) Whether it is given for an act of the person who takes it or for his influence on the act of another person;

(5) whether it is given personally by the person who gives it or through another person; whether it is given directly to the person who takes it or to another for him; whether it is given in advance or after the event; and whether it is enjoyed by the person who takes it or by another;

(6) whether the function of the person who takes it is one of authority or service, permanent or temporary, general or specific, and whether it is performed with or without remuneration, voluntarily or in discharge of a duty;

(7) Whether it is given for a deviation from the line of duty or for an act which the public servant is required to perform by virtue of his position.

25. **Section 3 of Israel's Prohibition on Money Laundering Law, 5760-2000,** provides as follows:

Prohibition on money laundering

(a) A person performing a property transaction provided in paragraphs (1) to (3) hereunder, (in this Law referred to as "prohibited property"), with the object of concealing or disguising its source, the identity of the owners of the rights, the location, movement or disposition with respect to such property, shall be liable to ten years' imprisonment or a fine twenty times greater than the fine specified in section 61(a) (4) of the Penal Law -

(1) Property originating directly or indirectly in an offense;

(2) Property used to commit an offense;

(3) Property enabling the commission of an offense;

(4) Property against which a crime was committed.

(b) *a person undertaking a property transaction or giving false information in order to circumvent or prevent the submission of a report as required under sections 7, 8A or 9 or in order to cause an erroneous report to be submitted pursuant to one of those sections, shall be guilty of an offence for which the same punishments as stated in subsection (a) shall apply; for the purposes of this subsection, "giving false information" shall include not giving an update regarding any detail which must be reported.*

26. Sections 418 of the Israeli Penal Law provides that:

"Forgery

If a person forges a document, then he is liable to one year imprisonment; if a person forges a document with intent to obtain anything by it, then he is liable to three years imprisonment; if the offense is committed under aggravating circumstances, then he is liable to five years imprisonment".

27. Sections 419 of the Israeli Penal Law provides that:

"Forgery that affects transactions

If a person forges – with intent to deceive – a document that contains information about a person or body corporate, then he is liable to three years imprisonment; for this purpose, it is immaterial whether the person or body corporate exists or was about to be set up, but was not set up".

28. Sections 420 of the Israeli Penal Law provides that:

"Use of forged document

If a person submits or issues a forged document or uses it in some other manner in the knowledge that it is forged, then he shall be treated like the person who forged it"..

29. Section 423 of the Israeli Penal Law provides that :

"False entry in documents of body corporate

If a founder, manager, member or official of a body corporate, with intent to deceive, enters or causes to be entered a false particular in a document of the body corporate. Or if- with intent to deceive- he refrains from entering there any

particular which he is under obligation to enter, he is liable to five years imprisonment. For purposes of this section and of section and of sections 424 and 425, "body corporate" includes a body corporate about to be established.

30. **Section 425 of the Israeli Penal Law** provides that:

"Deceit and breach of trust in body corporate:

If a director or manager or any other employee – or a receiver, liquidator, provisional liquidator, property manager or special manager – of a body corporate commits deceit or a breach of trust harmful to the body corporate in the course of performing his functions, then he is liable to three years imprisonment".

31. **Section 244 of the Israeli Penal Law, 5737-1977** provides that:

Obstructing justice

"If a person does anything with intent to prevent or foil a judicial proceeding or to cause a miscarriage of justice, whether by frustrating the summons of a witness or by concealing evidence or otherwise, he is liable to three years imprisonment. For this purpose, "judicial proceeding" includes a criminal investigation and the implementation of any direction by a court"

Requirement for Confidentiality

32. In consonance with the need for confidentiality during these stages of the investigation, the State of Israel requests that this request, and the activities undertaken pursuant to the request, be kept confidential. In Israeli law, there is no obligation to disclose investigative information to a suspect prior to the issuance of an indictment.

Supplementary

33. The State of Israel will submit any additional information which the authorities of the Republic of Cyprus may require in order to permit them to accede to this Request.

34. Inquiries regarding this request may be directed to Yitzchak Blum, Deputy Director the Department of International Affairs, Office of the State Attorney, Ministry of Justice, Jerusalem, Israel (Tel. 972-2-5419-612; email: yitzchakb@justice.gov.il or Fax: 972-2-6467044).

35. The State of Israel takes this opportunity to express its appreciation to the authorities of the Republic of Cyprus for their cooperation and assistance in this case and offers its assurance of reciprocal assistance.

Jerusalem, 21 day of August 2017

21 day of Av, 5777



A handwritten signature in black ink, appearing to be 'yBl', written over a horizontal line.

Yitzchak Blum
Deputy Director
Department of International Affairs
Office of the State Attorney
Ministry of Justice
State of Israel

Attachment A

10107 -5-

Payments

Julius Bär

Client
Relationship no. 0303.9331
IBAN CH49 0851 5030 3933 1200 1
Account 0303.9331 2120.333.01 USD CURRENT ACCOUNT
Advisor +41 (0) 58 888 11 11
Date 15.04.2011

Debit

Beneficiary STRATEGICOM INC. LLC Value Date 15.04.2011 Currency USD Amount 750'000.00

Debit IBAN CH49 0851 5030 3933 1200 1
Account USD CURRENT ACCOUNT
USD 750'000.00
Value Date 15.04.2011

Credit Beneficiary STRATEGICOM INC. LLC
IBAN CY14002001550000000108767700
Bank BANK OF CYPRUS PUBLIC COMPANY LIMIT
ED
51, STASSINOS STREET,
NICOSIA (LEFKOSIA).

Communication INV. 006/11 DD.05.04.2011,
ACCORDING TO THE AGREEMENT DATED
1.3.2011

Other Information Order dated 15.04.2011

Advice without signature

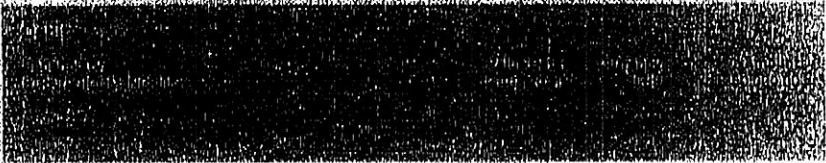
Yours faithfully
Bank Julius Bär & Co. Ltd.
Bahnhofstrasse 36, P.O. Box, CH-8010 Zurich
Telephone +41 (0) 58 888 11 11, Fax +41 (0) 58 888 11 22

-4

Payments

Julius Bar

Client: [REDACTED]
 Relationship no: [REDACTED]
 IBAN: CH22 0851 6030 3933 1200 2
 Account: 0808 0851 2120 834 01 EUR CURRENT ACCOUNT
 Advisor: +41 (0) 88 888 11 11
 Date: 21.06.2011

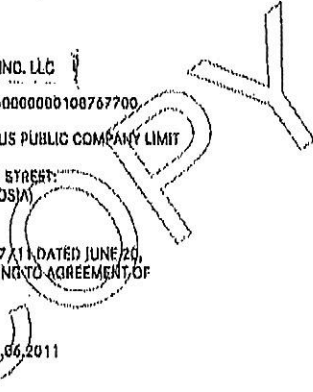


Debit IBAN CH22 0851 6030 3933 1200 2
 Account EUR CURRENT ACCOUNT
 EUR 250'000.00
 Value Date 21.06.2011

Credit Beneficiary STRATEGICOM INC. LLC
 IBAN CY14002001660000000108767700
 Bank BANK OF CYPRUS PUBLIC COMPANY LIMITED
 ED
 61, STASSINOS STREET
 NICOSIA (LEFKOSIA)

Communication RE INVOICE 00711 DATED JUNE 20,
 2011 ACCORDING TO AGREEMENT OF
 JUNE 1, 2011

Other information Order dated 21.06.2011



Advice without signature

Yours faithfully
 Bank Julius Bar & Co. Ltd.
 Bahnhofstrasse 36, P.O. Box, CH-8010 Zurich
 Telephone +41 (0) 88 888 11 11, Fax +41 (0) 88 888 11 22

Page 1 of 1
 Contract Note | Reference: DPS.11213.37427.00 | AVBPS008

Payments

Julius Bär

Client: CHAWENG GLOBAL LTD
 Relationship no.: 0303,9331
 IBAN: CH22 0851 5030 3933 1200 2
 Account: 0303,9331-2120,814,01, EUR CURRENT ACCOUNT
 Advisor: +41 (0) 58 888 11 11
 Date: 16.09.2011

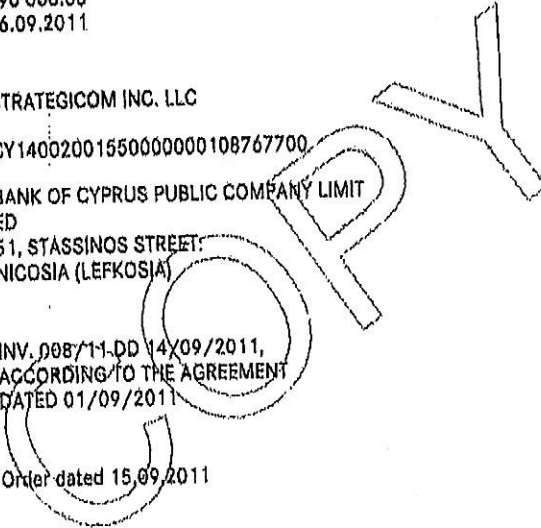


Debit
 IBAN: CH22 0851 5030 3933 1200 2
 Account: EUR CURRENT ACCOUNT
 EUR: 290'000.00
 Value Date: 16.09.2011

Credit
 Beneficiary: STRATEGICOM INC. LLC
 IBAN: CY14002001550000000108767700
 Bank: BANK OF CYPRUS PUBLIC COMPANY LIMITED
 51, STASSINOS STREET
 NICOSIA (LEFKOSIA)

Communication
 INV. 008711-DD 14/09/2011,
 ACCORDING TO THE AGREEMENT
 DATED 01/09/2011

Other Information
 Order dated 15.09.2011



Advice without signature

Yours faithfully
 Bank Julius Baer & Co. Ltd.
 Bahnhofstrasse 36, P.O. Box, CH-8010 Zurich
 Telephone +41 (0) 58 888 11 11, Fax +41 (0) 58 888 11 22