



SOMALIA AND ERITREA MONITORING GROUP

REFERENCE:

X July 2014

Excellency,

I have the honour to address you in my capacity as Coordinator of the Somalia and Eritrea Monitoring Group (SEMG) mandated pursuant to paragraph 27 of Security Council resolution 2111 (2013).

I am writing further to the midterm briefing of the Monitoring Group presented during the informal consultations of the Security Council Committee on Somalia and Eritrea (hereafter “the Committee”) held on 27 March 2014. In the context of addressing the phenomenon of ‘secret contracting’ in the Federal Government of Somalia (FGS), the Monitoring Group indicated that it would provide the Committee for its consideration fuller details regarding one particular contract pertaining to the recovery of public overseas assets of the Federal Republic of Somalia.

This note describes the evolution of contractual relations of the U.S. law firm of Shulman Rogers, Gandal, Pordy & Ecker, P.A. (hereafter “Shulman Rogers”) initially with the Transitional Federal Government (TFG) of Somalia dating back to 2010 and subsequently with the FGS since 2013. It describes the practices of Somali authorities, Shulman Rogers and associated entities and individuals in the effort to recover Somali overseas assets in a manner contrary to the public good and the measures to protect vested interests in the privatisation of these funds, including through a ‘counter-investigation’ undertaken with FTI Consulting that was designed to cover-up the findings of the Monitoring Group’s previous report (S/2013/413), particularly those findings related to corruption and mismanagement of Central Bank funds. This note further describes the role of an entity called Haden Global Services in the ‘counter-investigation’, in the recovery effort for overseas assets and as a mechanism for Shulman Rogers’ payment of its facilitators, namely Musa Haji Mohamed Ganjab and Abdiaziz Hassan Giyaajo Amalo, who in a conflict of interest also acted as advisors to the Somali President, Hassan Sheikh Mohamud. In addition, this note describes use of the Podesta Group, Inc. for public and political relations in aid of the asset recovery enterprise. Finally, this note makes reference to an arms transfer to Al-Shabaab involving Musa Ganjab and Abdiaziz Amalo, which is a case being further developed for the final report on Somalia of the Monitoring Group. As such, this note raises concerns about any funds from overseas assets that may have been diverted to Al-Shabaab.

At this stage of the investigations of the Monitoring Group, the material presented below reflects exploitation of public authority for private interests and indicates at the minimum a conspiracy to divert the recovery of overseas assets in an irregular manner, involving Shulman Rogers, President Mohamud and his Office, Fawzia Yusuf H. Adam, then Deputy Prime Minister

and Minister of Foreign Affairs and International Cooperation of the FGS, as well as Musa Ganjab and Abdiaziz Amalo. In addition, a complex architecture of multiple secret contracts, which defied a separation of powers between the Presidency and the Central Bank, created the opportunity and rationalization for the misappropriation of public resources. 'Pie-cutting' of overseas assets by those involved in the project entailed retention of excessive percentages and direct payments from recovered assets as well as attempts to circumvent deposits in the Central Bank of Somalia. While one transfer from Shulman Rogers to a Central Bank account in Turkey has to date been protected by the current Governor, the overall list of identified assets remains undisclosed and millions of dollars of funds are unaccounted for. Meanwhile, there are indefinite claims by Shulman Rogers and Haden Global Services on percentages of assets to be recovered in the future, which raise concerns given the association between Al-Shabaab, Musa Ganjab and Abdiaziz Amalo.

With the consent of President Mohamud and Prime Minister Abdiweli Sheikh Ahmed, the Monitoring Group has sought to provide the FGS with advance notice of the findings of this note, including through the Financial Governance Committee, which is also duly copied below.

In response to a Reuters article ("Graft allegations test West's ties to Somali president", 14 February 2014), former Foreign Minister Adam issued a press release on 22 February 2014 referring to documentary evidence supporting her position. On 25 February 2014, the Monitoring Group requested a meeting with former Foreign Minister Adam as well as the documentary evidence referred to, both of which are pending pursuant to exchanges of correspondence.

In addition, on 5 March 2014, the Monitoring Group requested meetings with Jeremy Schulman of Shulman Rogers, as well as Musa Ganjab and Abdiaziz Amalo, to discuss the issues and materials below. However, none of these three individuals responded to the request of the Monitoring Group for a meeting.

The correspondence quoted below are on file with the Monitoring Group and relevant documents are attached as annexes.

Background

On 15 July 2013, under the direction of President Mohamud, then Governor of the Central Bank of Somalia, Abdusalam H. Omer, signed an exclusive contract with Shulman Rogers for the recovery of Somali national assets located overseas since the collapse of the Somali state in 1991. According to the Central Bank of Somalia Act Law no. 130 of 22 April 2011, the Central Bank is autonomous and shall not take instructions from Government entities, including the President. Indeed, the Shulman Rogers effort to recover overseas assets consistently exploited the authority of the President and the authority of the Central Bank Governor intermittently as levers of convenience, placing the assets under the control of the President pursuant to a contract signed by the Central Bank Governor. In addition, the Power of Attorney for the contract appointed Jeremy W. Schulman of Shulman Rogers as "*the true and lawful attorney-in-fact to claim, recover and direct all assets of the Central Bank of Somalia*". As with other 'secret contracts' lacking due transparency and accountability, this contract and any revenue streams resulting from it were not subject to any public scrutiny or parliamentary oversight and remains to date unpublished.

In a resolution passed on 2 April 2014, in the context of another 'secret contract' pertaining to Mogadishu port, the Federal Parliament of Somalia described the legal requirements for parliamentary approval of such contracts entered into by the FGS (attached with translation as **Annex 1**). While the Central Bank of Somalia Act enables the Governor to enter into contracts, it is for the Board of the Central Bank to determine the categories of assets that shall constitute the official foreign reserves of Somalia and no Board was in place at the time that the Shulman Rogers contract was signed. In addition, the Act requires the Central Bank to report to Parliament regarding its activities, which to date have not included the recovery efforts undertaken pursuant to the Shulman Rogers contract.

As described in its Monthly Update to the Committee for October 2013, in correspondence addressed to then Foreign Minister Adam and copied to the Committee, the Monitoring Group repeatedly requested a copy of the FGS contract with Shulman Rogers, but was refused by both the Minister and the law firm. While the Foreign Minister and Shulman Rogers ultimately did not cooperate in providing the contract, the Monitoring Group obtained separately a copy of the contract and the associated Power of Attorney and transmitted both to the Committee on 13 November 2013 (S/AC.29/2013/COMM.101/CORR.1).

Meanwhile, on 30 October 2013, a newly appointed Governor of the Central Bank, Yussur A.F. Abrar, tendered her resignation citing undue pressure and threats to her physical security. According to Abrar, tensions arose over the Shulman Rogers contract, which she had been asked to endorse in light of the resignation of her predecessor on 13 September 2013. Her initial concerns focused on five percent of the Somali assets to be paid to the law firm of Shulman Rogers as a bonus and a less defined six percent to be retained by the firm for 'costs', in addition to the transmission of the remaining assets to the Government but not the Central Bank. Ultimately, Abrar objected to opening an account in the National Bank of Abu Dhabi for receipt of such assets and other bilateral assistance that would not be a Central Bank account. Fearing for her safety, Abrar departed Mogadishu for Dubai and the United States. Abrar concluded in her resignation letter to President Mohamud (transmitted to the Committee on 13 November 2013 in S/AC.29/2013/COMM.101/CORR.1) that the Shulman Rogers contract did not "*serve the interest of the Somali nation and I believe that they put the frozen assets at risk and open the door to corruption.*"

Notably, in addition to retention of percentages for recovered assets, the Shulman Rogers contract (page 2) creates a far-reaching claim on percentages of assets to be recovered in the future: "*The obligation to pay the [five percent] Bonus shall survive the termination of this agreement. Accordingly, should the Central Bank recover assets after this agreement has been terminated, the Bonus shall be payable to the Firm immediately upon the asset's recovery by or on behalf of the Central Bank, to the extent efforts were made to recover the particular asset by the Firm prior to termination of this agreement.*" Such a private claim on Somalia's public assets is intended to have long-term implications and reflects one of the consequences of the secret contracting phenomenon.

Previous Shulman Rogers Engagement with the TFG

Contract in 2010

During the period of the Transitional Federal Government, on 18 February 2010, Shulman Rogers concluded a first contract for the recovery of overseas assets with Ali Abdi Amalow, who had been the last serving Governor of the Central Bank of Somalia at the time of the collapse of the Siad Barre regime in 1991 and who had knowledge of the location of overseas assets. (Amalow had been cited in an earlier report of the Monitoring Group (S/2003/223, paragraph 36) for withdrawing at least USD 10 million from a bank account based in Switzerland, which he had opened while serving as Director General of the Central Bank under Siad Barre.)

In 2010, Amalow was no longer Governor of the Central Bank, although Shulman Rogers entered into a contract with the TFG through Amalow whose status was misrepresented in the contract. Specifically, according to an unofficial English language translation from Maryland, USA, of Presidential Decree of the Republic of Somalia Number 214 dated 13 December 2009, which was attached to the 2010 Shulman Rogers contract, then President Sharif Sheikh Ahmed is said to have appointed Amalow as "*Senior Advisor to the President of the Somali Republic on matters concerning financial institutions and Director of Financial Asset Recovery and Banking Affairs with the authority and power to recover all the national assets of the country*". The engagement of Shulman Rogers with the TFG is stated in their 2010 contract (page 2) to rely on these powers of Amalow in his capacity as "Director" and declares that his "*authority as Director derives from and is defined in Presidential Decree no. 214, issued December 13, 2009*". However, the original and official Somali language Decree bearing the signature of President Sheikh Sharif, which was also attached to the 2010 Shulman Rogers contract, actually reads as follows: "*Effective from the day the President signs this decree, Mr. Ali Abdi Amalow has been named as the advisor to the President on financial institutions/bank affairs and recovery of national assets.*" There is no mention of his appointment as a "Director" or any "authority and power to recover all the national assets of the country".

According to the terms of the 2010 contract, Shulman Rogers would receive a fixed monthly rate of USD 50,000 plus 3.5% of the value of any funds or assets recovered. In addition to the recovery of overseas assets, the contract also included Shulman Rogers persuading the United Kingdom banknote currency printer De La Rue International Limited or its affiliates to deliver Somali currency to the custody of the Central Bank through Amalow. (The last order for banknotes by an official Somali Government was executed in August 1991 by De La Rue (S/2003/223, paragraph 142).)

On 2 March 2010, as required by US law, the contract was registered pursuant to the Foreign Agents Registration Act of 1938 (FARA) with registration number 5976 and is available online (<http://www.fara.gov/docs/5976-Exhibit-AB-20131022-4.pdf>).

The 2010 contract (page 1) makes mention of an earlier engagement between Shulman Rogers and the Central Bank of Somalia: "*the Firm's [Shulman Rogers] engagement by the Central Bank, acting through you [Amalow] as Governor, on or about July 28, 2009, is to be superseded by this engagement letter...All of the Central Bank's financial obligations to the Firm under the July 29, 2009 engagement letter are hereby affirmed and ratified by the Republic of Somalia and shall be honored in full by the Republic of Somalia.*" However, between 2006 and 2010, not Amalow but Bashir Issa Ali was serving as the first post civil war Central Bank Governor and is currently serving in this post again.

The accounts of the Central Bank of Somalia between 2010 and 2013 do not reflect any deposits of recovered overseas assets. However, in a report dated 16 February 2012 (page 5), the Somali Transitional Federal Parliament's Committee of Finance, Money and Protection of National Assets identified a 2009 transfer from Shulman Rogers in the amount of USD 1.5 million, but could not determine the purpose or recipient within the TFG of the transfer.

At this early stage, the Shulman Rogers effort to recover overseas assets of the Somali state lacked any public transparency and accountability and functioned more as a private deal with Amalow, who exercised authority that he did not have officially.

Attempted Recovery of Somali Currency

In 2010, Shulman Rogers had been unable to recover Siad Barre era currency from the printer, De La Rue. On 19 March 2010, De La Rue responded to correspondence from Jeremy Schulman dated 11 March 2010 (attached as **Annex 2**). In it, De La Rue challenged the status of Amalow: *"Our contract is with the Central Bank of Somalia...and with due respect to Dr. Amalow the facsimile Presidential decree which you represented would attest to his position as Governor did not and on your own translation turned out only to confirm him as an 'adviser' to the President."*

De La Rue also questioned the status of Shulman Rogers: *"For the sake of good order I would ask you to finally confirm who you are instructed to act for and in particular to confirm whether or not you are instructed to act for the Central Bank of Somalia...I will repeat again that we will not deal through you or whoever your clients are until we are entirely satisfied as to the positions they hold as representatives of the Central Bank and Government of Somalia."*

The issue of recovering printed currency from De La Rue remained largely dormant until early 2013, not least because the TFG had entered into other currency printing arrangements in the interim. Following the election of Hassan Sheikh Mohamud as President of the FGS in September 2012, Ali Abdi Amalow's nephew, Abdiaziz Amalo, and Musa Ganjab, a business associate and member of the President's sub-clan, were replacing Amalow's previous role and increasingly acted as brokers between Shulman Rogers and the Somali President regarding the recovery of overseas assets. In this regard, they renewed the effort to recover printed currency from De La Rue and on 5 January 2013, Abdiaziz Amalo wrote to Musa Ganjab in the Somali language (unofficial translation follows):

"I would advise that we contact the company [De La Rue] that Ali Amalow has entered an agreement with in 1988, and a cheque was issued in the amount of \$10 million for expenses. The company placed a condition that we show them the contract that indicates the amount of money that was paid to them, because they can deny returning most of the money as they have given bribes to individuals working at the Central Bank whose names I have already provided you with. I can foresee, that we can arrange a meeting between the President and the company, when the President visits London, so we can convince them to print new money or return the money that was forwarded to them. Before that, when I come to Mogadishu, we can sit and after we obtain the tender/bidding documents, we can commence this work immediately."

I want to inform you, these days there is a lot of talk about issues pertaining to returning missing money [recovering missing assets], as letters were submitted to IMF, World Bank, UN and other countries. This can complicate our work in recovering missing money in an easy manner because those countries and organizations that the letters were sent to are countries / organizations that we owe money to. It is not wise to show what is missing to 'people' whom you owe money, because they are not aware of where the limitations are, but once we have recovered what we need to recover then we can take our grievances with the Government forward...

I am also concerned that they may refer to the Government money as donation to please the Government. I will give you an example of a case of money that was in an Italian bank that we had accounted for, and we had informed Nur Adde to work with us on how to recover it. Unfortunately, he contacted Abdiweli, whereafter they reached an agreement to go behind us, which led to the Italian Government saying that instead of the money being \$45 million, they said it was only \$15 million. Where the remaining \$30 million went, nobody knows. But, we can still recover the money if we use the documents and lawyers we have. What is even worse, the money that belonged to Somalia, the Italians claimed was an aid donation, and it has been used for projects and as you know the first project was \$3.5 million to build the Garowe airport."

On 13 March 2013, Abdiiaziz Amalo wrote to President Mohamud in the Somali language (unofficial translation follows):

"Salaam Aleykum Dear President,

I am here forwarding you the information that we have established with De La Rue, the company that prints money for many countries like Canada, Kenya and UK. As you can see from this email, they have been denying for many years that they have money from the Somali Government, until lawyers told them that they will raise a case against them and take them to court. After that, they are now willing to admit to the contract that was entered with them in 1988, signed by Ali Amalow. However, they are not willing [resisting] to return the money, because they fear that the money will end up in the wrong hands. On the other hand, we have written proof from the UN. President, as I informed you before, if you assign me, the committee and the lawyers, authority on this issue, we can succeed as soon as possible. As you know, I have contracts that this company has entered with the Government, and copies of cheques paid to them. I cannot send you this in an email. De La Rue has received an advance of \$7-8 million. I can guarantee here that myself and my team, can return this money, with 24 years of interest, which adds up to \$14 million, which also can be used to print new money...

Honourable. President, I am attaching two documents with two options. One is the one suggested by the PM, to go through a committee to recover the assets. The other one is a decree from you by which the assets are recovered directly to your hands without involving a committee. I wish you all the best and good working relationships."

On 20 March 2013, Musa Ganjab wrote to Abdiiaziz Amalo in the Somali language (unofficial translation follows):

"Asalaam Aleykum Amalo,

Sahib, greetings, I am very happy that you have linked up with Abdihamid. We can do a lot, the three of us, and Abdisalaam [Omer] if we promise him something. There is no need to involve anyone else in this issue. He has the full power as the Governor of the Central Bank. We can use his signature, so let's agree on this. Tell Abdihamid to talk to his friend, and to link him to us as soon as possible."

As part of this effort, the Monitoring Group understands that at the beginning of May 2013, Abdusalam Omer, who had been appointed as a new Governor of the Central Bank on 13 January 2013, attempted to obtain Somali currency notes from De La Rue, but was unsuccessful. Nevertheless, the correspondence above from Abdiaziz Amalo and Musa Ganjab reflect efforts to exploit the authority of the Somali President and the Central Bank Governor to recover printed currency under the cover of the FGS but outside financial systems of Government, exposing the currency to misappropriation. In seeking control of the currency, Abdiaziz Amalo and Musa Ganjab did not want the currency returned to Somalia as a public asset, such as in the form of an aid donation or to offset the national debt, which they perceived as risks to mitigate, but offered to deliver the currency directly to the President.

Shulman Rogers Contract of 15 July 2013

Reestablishment of Contractual Relations

Following the election of President Mohamud, Shulman Rogers sought to re-establish its contractual relations with the new Government for the recovery of overseas assets in collaboration with Abdiaziz Amalo and Musa Ganjab, who were in the process of exploiting Amalow's earlier role and replacing him, and who also maintained direct and continuous contact with both Shulman Rogers as well as the President through correspondence, by telephone and in meetings at Villa Somalia.

In January 2013, then Foreign Minister Fawzia Adam publicly announced the plans of the FGS to recover overseas assets, stating: *"We will conduct an exceptional review of all of Somalia's global assets in all of the continents and we will consult with Somali and foreign financial and legal advisers"* ("Somalia steps up bid to recover assets stashed in foreign states", *Daily Nation*, 3 January 2013).

On 22 January 2013, Abdiaziz Amalo wrote to President Mohamud following a meeting between them the previous week in Washington, D.C., stating:

"Your Excellency, as we discussed briefly during your visit, your assistance will be important for Director Amalow to complete his work in unfreezing assets in the many countries around the world where they are located. A tremendous amount of progress has been made already, and we can complete our work in short order with your support. We hope that Your Excellency will sign the decree that we have proposed, which reaffirms Director Amalow's important role in the recovery of the Somali assets...Director Amalow operates with the highest possible integrity, he has protected these assets for 22 years, and he will continue to act only in the best interests of Somalia. Shulman Rogers has been extremely effective, hard working, and trustworthy in assisting Director Amalow with his recovery work."

Attached to the correspondence was a newly drafted Presidential decree that would re-empower Ali Abdi Amalow by appointing him as a Director of Financial Asset Recovery and Banking and *"with regard to the national assets of Somalia located abroad, [Amalow] is conferred with all of the powers and authority vested in the Governor of the Central Bank of Somalia"*. Indeed, the draft letter of appointment provided Amalow, who was not the Governor of the Central Bank, with considerable powers for the recovery of overseas assets (attached as **Annex 3**). His powers included the retention of lawyers for the recovery effort, which according to Abdiaziz Amalo in his cover correspondence was intended to be Shulman Rogers.

In addition to the new draft Presidential decree, attached to the correspondence was a Memorandum addressed to President Mohamud, which was purportedly signed by Ali Abdi Amalow, but with the contact details of Abdiaziz Amalo, and similar to other memoranda prepared by Shulman Rogers (attached as **Annex 3**). The Memorandum contains the following statements:

- Page 2: *"...we have done the vast majority of the work needed to complete the project—in some locales the release of assets will occur within a matter of days or, at most, a few weeks."*
- Page 2: *"To ensure that proper discretion is maintained until all of the assets are recovered, it is imperative that my authority flow directly from the President, and that in performing my work I report only to the President."*
- Page 3: *"I have not been willing to share specific information about the assets with anyone other than a very small circle of my closest and most trusted advisors...I will, therefore, generally describe the assets, as you request, but will not furnish in writing any details that could compromise our mission."*
- Page 4: *"...my expectation is that there is USD200-300 million in Somali assets dispersed in more than one dozen countries around the world. These assets consist of cash deposits in financial institutions, printed Somali shillings, various pieces of tangible and real property, and legal claims to return funds that I paid to certain foreign vendors in connection with transactions that I concluded but could not complete because of the civil war. In addition, there are aid funds on deposit in various places around the world that must be claimed, arrangements to be made with the World Bank and International Monetary Fund to forgive Somali debts and obtain new lines of credit, and claims to be brought against certain institutions that assisted corrupt officials in misappropriating state assets. I have carefully documented all of these assets..."*

However, instead of securing the appointment of Ali Abdi Amalow as a "Director" to serve as a counterpart for Shulman Rogers pursuant to their 2010 contract, Abdiaziz Amalo, Musa Ganjab and Shulman Rogers established a direct relationship with President Mohamud without the involvement of Ali Abdi Amalow, whose name had been used to gain an entry point with the FGS. On 13 March 2013, Abdiaziz Amalo wrote to the President in the Somali language (unofficial translation follows):

"Mr. President, we want to work with you on the issues of recovering national assets without any conditions from our side. As I told you before, there is no need to appoint uncle Amalow, because of his health. So anyone who comes to you in his name (the old Amalow) are not representing him. Because his wife and children, all – except for one son – do not want him to carry any responsibilities due to his health."

As described below, Shulman Rogers then entered into negotiations with the FGS between March and July 2013 in order to conclude an entirely new contract for the recovery of overseas assets. Shulman Rogers exploited access to the original list identifying the scope of overseas assets and knowledge of their location as leverage with President Mohamud in aid of securing a new contract. The negotiations explicitly excluded then FGS Minister of Finance and Planning, Mohamud Hassan Suleiman.

Initial tensions arose between Shulman Rogers and the new Central Bank Governor, Abdusalam Omer. In a letter dated 3 April 2013, Abduslam Omer appointed Anthony (Toby) Moffett and the Moffett Group of Washington, D.C., as *"the official representative of the Central Bank of Somalia in the United States"*. Omer requested the Moffett Group *"to determine where funds rightfully belonging to Somalia and its people are still frozen in U.S. banks or other financial institutions"* in order for them to be *"released back to the Central Bank of Somalia."* On 4 April 2013, the Moffett Group registered the appointment letter pursuant to the FARA, which is available online (<http://www.fara.gov/docs/5802-Exhibit-AB-20130404-12.pdf>). However, the Moffett Group, in the absence of adequate knowledge regarding the location of Somalia's overseas assets, proved unsuccessful.

On 30 June 2013, following a meeting in London between Jeremy Schulman and President Mohamud, Schulman sent a Memorandum to the President through Abdiiaziz Amalo and Musa Ganjab, who by now were serving as a regular channel between Shulman Rogers and the President (attached as **Annex 4**). Schulman stated in the Memorandum:

"I wish also to advise you that Governor Omer continues to refuse to sign our law firm's engagement agreement. My understanding is that in the past few days Governor Omer has had two meetings with Foreign Minister Adam concerning our agreement and, notwithstanding your direct instructions that the agreement be signed, Governor Omer has said that he will not sign it. I have been further informed that Governor Omer is planning to leave Mogadishu on July 3 and that he may be travelling to Italy and/or other European locations in an effort to work on taking control of Somalia's assets. In an abundance of caution so as to safeguard Somalia's assets to the greatest degree possible, I recommend that Foreign Minister Adam promptly send letters to the Foreign Ministries in France, Italy, and Switzerland similar to the 25B [United States Certification for assets held in the United States] letter that we prepared for the United States. Attached are drafts that I have prepared for her to sign. As you can see, these letters aim to have the same effect as the U.S. letter—to clarify that only the President, or his express designee, shall have authority to control Somalia's assets located in these European countries."

In these attached draft letters, a repeating paragraph reads:

"I [Foreign Minister Minister Fawzia Adam] certify to you that President Hassan Sheikh Mohamud has sole authority on behalf of the Federal Republic of Somalia and any of Somalia's state ministries, embassies and agencies, including the Central Bank of Somalia and its affiliate banks, to access banking data and recover financial assets...both directly or upon his order. We respectfully request that you provide us with a letter acknowledging President Mohamud's authority in the precise form that I have certified it so that we may furnish the letter to the inquiring financial institutions."

During the last stages of the negotiations between Shulman Rogers and the FGS, following six drafts of the engagement agreement, Jeremy Schulman wrote to Abdusalam Omer on 11 July 2013 in response to proposed last minute changes, stating:

"...these changes are by no means 'minor'. They seek to alter the entire character of the engagement that we have been discussing with you for the past three months, and the entire character of the way the firm has been working for the past four years under presidential authority...The assets that we have been working to recover belong to the Somali state, and we are not comfortable with changes that seek to remove the President's ultimate authority over these assets, particularly given our extensive meetings with the President and his explicit instruction to us to proceed with the 25B language under his direct authority...We sincerely hope that you will agree to move forward and sign the version of the agreement that we submitted yesterday, which contains the structure that you said yesterday both to me and to Musa [Ganjab] you found acceptable."

As a result of the combination of instructions from President Mohamud to sign the new contract, the publication of the previous report of the Monitoring Group (S/2013/413) on 12 July 2013 that identified irregularities involving Abdusalam Omer, and an offer from Shulman Rogers to defend him against the findings in the report (see below on "Investigation of the Monitoring Group Report 2013"), Abdusalam Omer as Governor of the Central Bank ultimately signed the new contract and its associated Power of Attorney on 15 July 2013 (circulated to the Committee as S/AC.29/2013/COMM.101/CORR.1). In the contract, the Governor acted at the direction of the President, when there should have been a clear separation of powers between the two, in order for Shulman Rogers to exploit the authority of both to control the recovery effort outside the Central Bank. Indeed, while the contract relied on the authority and the name of the Central Bank as the client, control over the assets was intended to be exclusively retained by the President, thereby exposing the recovered assets to misappropriation by those involved in the recovery project.

Presidential Control of Overseas Assets

In their engagement with Member States and financial institutions, Shulman Rogers, then Foreign Minister Adam and President Mohamud sought to ensure the President's control of overseas assets. The initial objective was to obtain recognition of the President's authority over assets in the United States, and then exploit this recognition as leverage with other Member States and financial institutions. In the course of doing so, the President delegated exclusive authority to Jeremy Schulman as the only other individual with powers to recover overseas assets.

On 1 August 2013, Jeremy Schulman wrote to the United States Government:

"This morning, I spoke personally with President Mohamud and he informed me that he would like the Office of the President to maintain full control over Somalia's assets in the United States, and that he does not wish at this time to designate any individual other than himself and myself (representing Shulman Rogers) to have access to the accounts. In this regard, he also requested that you kindly direct any further communications concerning the 25B process either through me or through the Office of the President."

On 27 August 2013, Jeremy Schulman wrote to Foreign Minister Adam requesting that she urgently submit to the United States Government through official channels a letter that she had earlier signed on 13 August 2013, while Schulman was in Mogadishu, addressed to US Secretary of State John Kerry designating Schulman with alternate powers to the President (attached as **Annex 5**). It stated:

"I hereby certify that, by order of President Hassan Sheikh Mohamud under the President's primary authority described in my June 16, 2013 letter, Mr. Schulman is also authorized on behalf of the Federal Republic of Somalia to receive, control and/or dispose of the Property, and thereafter, to transmit such property to the Somali Federal Government in accordance with our engagement agreement with Schulman Rogers."

A second letter was attached, which was dated 12 August 2013 and signed by President Mohamud addressing the Federal Reserve Bank of New York (attached as **Annex 5**). It similarly delegated to Jeremy Schulman:

"...authority on behalf of Somalia to receive, control, and/or dispose of Somalia's property located in the United States, including but not limited to all property from or for the account of the Federal Republic of Somalia or the Central Bank of Somalia and its affiliates being held in any Federal Reserve bank, any federally insured bank in the United States, or any other institution, and thereafter, to transmit such property to the Somali Federal Government in accordance with our engagement agreement with Shulman Rogers."

On 29 August 2013, Jeremy Schulman wrote to the United States Government, copying Thabit Abdi Mohamed, the Deputy Director General for the Presidency (effectively a second Chief of Staff), Foreign Minister Adam and Musa Ganjab, stating:

"I was asked to relay to you that Somalia's Foreign Minister (H.E. Fawzia Yusuf Adam) and one of the government's advisors, Musa Haji Mohamed, are planning to drop by your office...to formally hand over to you or your staff her recent letter and its attachments...concerning the 25B process."

Significantly, this correspondence, copied to the Presidency and the Foreign Minister, acknowledged that Musa Ganjab acted as a government advisor, while he was at the same time acting as a facilitator on behalf of Shulman Rogers. Indeed, thanking Ganjab for facilitating delivery of the letters, Schulman wrote on 31 August 2013 to Ganjab and Abdiiaziz Amalo: *"Musa, thank you for taking care of the 25B letters today. You did a wonderful job!!!"*

Shulman Rogers and the FGS obtained from the United States Government a "Certification Pursuant to Section 25B of the Federal Reserve Act, As Ammended" dated 16 September 2013, which stated:

"Fawzia Yusuf Haji Adam has certified to the Secretary of State in accordance with section 25B of the Federal Reserve Act, as amended, that Hassan Sheikh Mohamud, President of Somalia, is the sole representative of Somalia with full authority to receive, control, and dispose of any and all interests in property described above, in accordance with the terms and conditions governing the ordinary operations of those accounts".

Subsequently, on 10 October 2013, Jeremy Schulman wrote to Thabit Mohamed at the President's Office:

"I wanted to share with the President and you some very good news, which is that I confirmed last night in a telephone conversation with lawyers at the Federal Reserve in New York that Somalia's accounts at the Fed have now been formally unblocked and are under the sole authority and control of the President. This is as a result of the 25B process, which as you know was recently completed. The Fed made clear that they are extremely cautious when it comes to the management of sovereign assets, and therefore they are recognizing the authority only of the President with respect to these assets, and they will take instruction as to the disposition of the assets only through direct communications from the President that are passed to the Fed through diplomatic channels. This shows the success of our prior strategy, which was to protect the assets by ensuring that only the President can direct them. The Fed told me that they will not deal with anyone other than the President, meaning not even the Finance Minister or Central Bank Governor can act with respect to these assets."

On 11 October 2013, Thabit responded:

"...please note that everything stays under the exclusive authority of the President and only Schulman [sic] Rogers are allowed to represent and perform all pending works but under the exclusive authority and direction of the President, H.E. Hassan Sheikh Mohamud."

Thereafter, President Mohamud sent a letter dated 23 October 2013 to the Federal Reserve Bank of New York requesting it to release to Jeremy Schulman "a statement of account pertaining to the Assets dated as of the close of business on October 30, 2013" (attached as **Annex 5**). In the letter, President Mohamud affirmed his control over the assets: "I am writing under the authority vested in me as President of the Federal Republic of Somalia ("Somalia") to receive, control, and/or dispose of any and all of the Central Bank of Somalia's assets..."

United States acceptance and recognition of the President's authority over overseas assets was duly exploited to convince other Member States and financial institutions to similarly give exclusive control to the President, along with Shulman Rogers.

On 30 July 2013, Jeremy Schulman provided to then Foreign Minister Adam a draft letter for Italy stating "I have attached a draft letter that I would like to have sent from you to Italy" concerning "Somalia's state assets located in Italian banks". He added, "the letter is similar to the one that we did for the U.S. State Department, but I have now included my name, as the President said that I should once my engagement letter was signed." A final letter was sent to Italy from Minister Adam, dated 7 September 2013, asserting the authority of the President and Shulman Rogers, and requesting "that your office provide us with a letter acknowledging President Mohamud's authority and order with regard to Mr. Schulman's authority in the precise form that I have certified it above so that we may furnish the letter to the inquiring financial institutions" (attached as **Annex 6**).

On 14 November 2013, Jeremy Schulman wrote to the Italian Government providing a copy of the United States 25B certification and stating that: "the Somali government respectfully

seeks your assistance in preparing a short letter acknowledging the authority of President Hassan Sheikh Mohamud to recover Somali state assets located in private banks in Italy." He quoted the language of the 25B certification and stated: *"We are requesting a similar statement by you or another suitable official of the Italian Foreign Ministry, which has been requested by the private banks in Italy as a condition to releasing Somalia's funds on deposit."*

On 18 October 2013, Jeremy Schulman wrote to Thabit at the President's Office, copying Abdiaziz Amalo and Musa Ganjab stating: *"attached are the letters for France and Switzerland that we have been trying to get Fawzia to send out. I would be grateful if you would please arrange for her to sign and send these out through diplomatic channels."* Subsequently, the two letters dated 24 October 2013 were sent from then Foreign Minister Adam to France and Switzerland, which in content were similar to the Italian letter, seeking acknowledgement of the authority of the President and Jeremy Schulman (attached as **Annex 6**).

The diplomatic strategy crafted for engagement with Member States and financial institutions in pursuit of overseas assets, therefore, involved international representation of the effort by then Foreign Minister Adam, the assertion of control by the President and his Office, the delegated authority to Jeremy Schulman and Shulman Rogers, and the dual role of Abdiaziz Amalo and Musa Ganjab, acting as Government advisors and facilitators for Shulman Rogers. The establishment of a network of control of overseas assets parallel to the financial institutions of Government came into conflict with the Central Bank when a new Governor was appointed.

Conflict with the Central Bank Governor

On 13 September 2013, Abdusalam Omer was forced to resign as Governor of the Central Bank of Somalia and the appointment of a new Governor, Yussur Abrar, was announced at the Brussels donor conference on 16 September 2013 in an effort to provide credibility to the FGS. The details of Yussur Abrar's experience as Governor are largely in the public domain and the Monitoring Group has further substantiated elements of her narrative of events and obtained associated evidence.

On the eve of Abrar's appointment, she had a late night meeting with President Mohamud, then Foreign Minister Adam and Musa Ganjab. During the meeting, Abrar noted significant corruption in the FGS and sought a zero tolerance approach to corruption from the President as a condition for her appointment. The President agreed to her request. Subsequently, the Foreign Minister reprimanded Abrar for raising the issue of corruption with the President and she was not to do it again.

Foreign Minister Adam and Ganjab, who had arranged Abrar's candidacy as Governor, viewed her appointment partly to restore credibility to the FGS at Brussels, but also partly as an opportunity to exploit her banking background to open international bank accounts for the FGS in order to divert funds because Abdusalam Omer was no longer able to do so following the Monitoring Group report (S/2013/413). Abrar was expected to either join the group of individuals working with the President or be controlled so she silently acquiesced to them. In particular, her international image was to be a means of exploiting donor funds committed at Brussels.

Following her appointment as Governor, Abrar was asked to endorse and legitimize the Shulman Rogers July 2013 contract, since it had been signed by Abdusalam Omer who was seen to have been discredited, which could have had an impact on Shulman Roger's engagement with Member States and financial institutions in the recovery of overseas assets. In her resignation letter of 30 October 2013, Abrar stated, referring to the Shulman Rogers contract: *"From the moment I was appointed, I have been continuously asked to sanction deals and transactions that would contradict my personal values and violate my fiduciary responsibility to the Somali people as head of the nation's monetary authority."*

In late September 2013 in New York, Abrar raised concerns about the July 2013 contract directly with President Mohamud, Foreign Minister Adam, Musa Ganjab and Shulman Rogers. She was instructed by the President to meet with Shulman Rogers, Foreign Minister Adam and Ganjab to discuss the contract. Abrar expressed concerns about the Power of Attorney associated with the contract and she repeatedly requested that the Central Bank be provided with the original list of overseas assets, which the President refused to provide. Only the President, Shulman Rogers, Musa Ganjab and Abdiaziz Amalo had access to the list. Abrar challenged the fact that in the United States Government 25B Certification, only the President, and not even the Central Bank, had control over the assets, and she was told that only the President could be trusted. She also repeatedly requested summary statements of recovered assets from Shulman Rogers, but was refused. In addition, Abrar had particular concerns about two provisions in the contract.

(1) Six Per Cent Costs and Expenses Clause

One clause in the July 2013 contract (page 2) provides for Shulman Rogers to retain six per cent of all recovered Somali assets for unnamed costs and expenses, in addition to the five per cent of all recovered assets to be retained by Shulman Rogers as a bonus additional to its fees: *"The Central Bank agrees that the Firm shall also set aside and retain Six Percent (6%) of any amount recovered in each account for mutually agreed costs and expenses reasonably incurred by or on behalf of the Central Bank in furtherance of the efforts to recover frozen funds."*

During the negotiation of the 2013 contract between Shulman Rogers and the FGS, Shulman Rogers had sought eight per cent for this clause and it was one of the remaining issues to be resolved before signature. On 11 July 2013, Schulman had written to Abdusalam Omer stating: *"I was under the very clear impression that you already accepted the basic structure of the agreement when you emailed me on June 14 and inquired: 'Do we have an agreement [on] all other issues except the 8%.'" In the final version of the contract, Shulman Rogers accepted that this clause would be for six per cent.*

Abrar considered this clause for undefined costs and expenses to be for hidden fees and ultimately understood that it was meant as a side payment to be divided two per cent each between Foreign Minister Adam, Musa Ganjab and Abdiaziz Amalo. In late September 2013 in New York, Abrar raised the unclear nature of this clause with the President. The President informed her that Adam, Ganjab and Amalo had worked hard for their money and that they had earned and deserved the commission of six per cent. Abrar appealed to the President to reconsider his support for this, but he simply thanked her and asked her to read through the contract.

In New York, Abrar subsequently raised the issue with Jeremy Schulman in the presence of Ganjab and asked why Shulman Rogers had not simply combined the five percent bonus and the six percent clause for a total of eleven percent. Schulman had agreed to the separate clause, but distanced himself from any specificity regarding it. At the meeting, Ganjab made clear that he had been 'working' for Shulman Rogers as a facilitator, despite also acting as an advisor to the President. Jeremy Schulman denied Musa Ganjab and Abdiaziz Amalo represented him.

After the meeting, Ganjab reportedly said that he had spent a lot of money on the contract, including a lot of his own money, and he needed the money from the contract, and that the President himself needed the money from the contract as he had a lot of enemies and elections were coming up. Later, Abrar went to see the President who asked why she was standing in the way of the contract as people needed to get paid.

Subsequently, the payment of a percentage of recovered overseas assets to Musa Ganjab and Abdiaziz Amalo was formalized in a Memorandum of Understanding between Shulman Rogers and Haden Global Services (see below on "Haden Global Services").

Meanwhile, on 18 October 2013, Jeremy Schulman wrote to Thabit at the President's Office, circumventing Abrar and avoiding the prospect of depositing funds in the Central Bank:

"Dear Thabit...I understand that you may be working with the President tonight on an email from the President to me instructing me as to the handling of the recovered assets. I have prepared below suggested language that you could use for the email. Best regards.

SUGGESTED LANGUAGE:

Dear Jeremy,

I am writing in response to your September 25, 2013 memorandum concerning the asset recovery project. You are authorized to apply the deductions set forth in your memorandum and instructed to please hold the remaining balance of funds for the benefit of the Somali government until further notice from me. Going forward, as additional funds are recovered, you are authorized to apply the same percentage deductions and instructed to hold the remaining balance until further notice from me.

Regards,

President Hassan Sheikh Mohamud"

(2) Transfer Clause

The second clause in the July 2013 contract (page 1 of the "Attorney-Client Agreement") that Abrar was particularly concerned about did not oblige Shulman Rogers to transfer assets directly to the Central Bank:

"It is agreed that to the extent we [Shulman Rogers] come into possession of assets belonging to the Central Bank, after deducting all of our fees, expenses, and other payments owed to us

pursuant to this engagement agreement, we shall thereafter promptly transmit the remaining funds into your custody or the custody of the President or Prime Minister of the Federal Republic of Somalia, in a form payable only to the Central Bank of Somalia, and that in so doing, we fully discharge our duties to the Central Bank with respect to the transmission of such assets."

Abrar felt the awkwardness and ambiguity of this language effectively sidelined the Central Bank and would enable the transfer of funds to accounts outside the Central Bank. In this regard, she fought over the Power of Attorney. She could not accept a contract that was drafted in a way that would put assets recovered on behalf of the Somali Government into an account over which the Central Bank would have no control.

In short, without the original list of assets Abrar could not have verified any recovery figures against the true value of the assets and with the Shulman Rogers Power of Attorney she had no control over the actual transfers of the recovered assets, despite the fact that the Shulman Rogers contract had been signed by a Governor of the Central Bank.

On 8 October 2013, Abrar wrote to Jeremy Schulman indicating her intention to seek external legal advice and requested the relevant documentation be provided accordingly:

"When you are ready, please make sure the documents you send to the Central Bank lawyer include all the documents needed for them to review the documents signed by the former Governor Dr. Abdisalan Omer including:

- 1. The contract and fees agreed. Just to be clear there can't be any hidden fees.*
- 2. The power of attorney which may give you the right to talk to a third party holding assets for the Somali central bank or Government but should not give you the right to collect such monies on our behalf and place them in any account that does not belong to the Central Bank. The Central [Bank] can instruct the party holding assets to wire money to the central bank account minus any fees to your firm that are agreed upon after the contract is reviewed and endorsed by me as the current governor.*
- 3. Other documents signed by the foreign ministry or presidency pertaining to the contract.*
- 4. The list of assets that you are contracted to recover. Assets already known such as the ones at the Fed Reserve Bank and at the Bank of Italy should be excluded from such a list.*
- 5. The list of agents working with you outside your law firm who may benefit from this contract.*
- 6. Assurance that no current or former Somali government employees will benefit from this contract.*

As you know the central bank can engage the World Bank to help recover any government assets frozen as a result of the civil war. However, since you have been engaged prior to my appointment to recover these assets, the Somali government will try its best to honor its obligations so long as the contract is legal, binding, properly structured and the Central Bank obtains a clean legal opinion from an outside counsel. As I told you I am trying to engage the services of such legal counsel in Boston to whom you can send the above documents and others you deem appropriate or requested by them."

On 8 October 2013, Jeremy Schulman wrote to Abrar indicating: *"I have also solicited the advice of an outside law firm and expect to be receiving a memorandum from them shortly. I will*

send you a copy when I receive it." Abrar received no such memorandum. Meanwhile, Schulman wanted Musa Ganjab and Abdiaziz Amalo to get the President to control Abrar and on 8 October 2013, Schulman wrote to Amalo complaining about Abrar's email:

"1. She is suggesting there may be hidden fees and/or payments to government officials, when we have taken extreme care to avoid both.

2. She is suggesting that the government will not honor its current engagement with us, and she is now proposing to completely change the deal that is in place, suggesting that Shulman Rogers may even be replaced by the World Bank or some new law firm in Boston. This is an odd approach given that we have been extremely effective in our work. [W]e just recover[ed] \$7.4 million and are poised to recover a lot more shortly. Why would she want to derail this project now, just as it is bearing fruit for the government? She should be expressing appreciation for our four years of extremely hard work, during which time we assumed many risks on behalf of the government with no assurance at all of being paid. Now that we have succeeded, she wants to back away from paying us and perhaps replace us with a new firm.

3. She continues to demand a list of assets, and now she wants us to send the list to new attorneys in Boston. We have taken extreme care not to reveal the specifics of our work to anyone other than the President, and now she wants us to share it with unknown lawyers in Boston.

4. She seems to think that we played no role in recovering assets at the Fed, while the reality is we worked extremely hard to get the 25B certification that makes release of the Fed assets possible. Our existing agreement clearly entitles us to be compensated for this critically important work.

5. She wants to take full control of assets that have been placed firmly under the authority of the President and his designees, many of which do not belong to the Central Bank. She wants to circumvent the President's authority, she wants no funds to flow through Shulman Rogers, and instead she wants full control."

On 8 October 2013, Abdiziz Amalo forwarded Schulman's complaints to Thabit Mohamed at the President's Office, and copied Musa Ganjab and Schulman: *"Please kindly see below email from Jeremy and exchange emails from Jeremy and Governor Abrar. Please give my regards to Commander in chief of Somalia H.E. President Hassan Sheikh Mohamud."*

When Abrar returned to Mogadishu, she was called to the President's Office, where Foreign Minister Adam was present. The President only asked about the Shulman Rogers 2013 contract. Abrar was waiting for the relevant documents to be sent to her lawyers. The President did not want any other lawyers involved, he wanted no further discussion on the issue and made it clear to Abrar to sign the contract documents. Abrar refused and the meeting descended into a shouting match.

Thereafter, the Deputy Finance Minister, Mohamed Hassan, contacted Abrar indicating that they had to travel to Dubai for her to sign off on an account. Abrar did not understand how and why they had opened a Central Bank account and asked for the documentation. The Deputy Finance Minister refused to provide the documentation for the account and said it was not a Central Bank account. Then he indicated it was a joint account between the Finance Ministry and

the Central Bank. Abrar argued that she could not be a signatory. Then the Deputy Finance Minister offered her 51 percent of the funds. Abrar refused, indicating that all funds are supposed to be deposited into the Central Bank and into a single treasury account. The Deputy Finance Minister revealed he also had USD 50 million due from China and Iraq, including funds being held by the Arab League. Abrar offered him a Central Bank account in Turkey to deposit the funds, but he refused. Abrar connected the dots about the means of diversion: according to the Shulman Rogers 2013 contract, Shulman Rogers recovered assets, kept them, deducted their fees and what was left would be transmitted to the President or Prime Minister in a form for the Central Bank. But that was the sticking point, because in Dubai while opening the account, the compliance officer at the bank wanted the signature of the Central Bank Governor. The Deputy Finance Minister clarified that the account, in the National Bank of Abu Dhabi, was a Federal Government account, which Abrar then said she had nothing to do with. The Deputy Finance Minister kept asserting that the account is open and only Abrar's signature was needed. He became abusive and declared that Abrar was not following his orders.

The Deputy Finance Minister reverted to Foreign Minister Adam who called Abrar for a meeting. A similar conversation took place, during which the Foreign Minister indicated that if Abrar would not deal with the Shulman Rogers 2013 contract then they would proceed without her involvement.

A few days later, Musa Ganjab asked to see Abrar and they met in the lobby of a hotel. Ganjab wanted to take care of Abrar's security. He was part of a group that would help Abrar with her 'protection' as a 'reward'. Abrar was introduced to some members of this group who told her to sign off on the Dubai account. She was told if money comes to the Central Bank, she should not ask any questions, but could do with the money as she pleased since it was her money. Ganjab reportedly said that if Abrar did not comply with the President's wishes, it would become dangerous for her. At this point, Abrar felt she had to leave Mogadishu. She left for Dubai, pretending she would sign off on the account, and tendered her resignation.

Immediately following Abrar's resignation, in an effort to discredit her, on 31 October 2013, Jeremy Schulman forwarded to Awes Hagi Yusuf, Chief of the Policy Unit in the Office of the President, and Engineer Abdirahman Omar Osman 'Yarisow', the President's spokesman, court documents from the Eastern District of Virginia, Alexandria Division, pertaining to a 2002 bankruptcy case concerning Warsun International Communications Corporation and Yussur Abrar. The documents were subsequently circulated to Somali media outlets and members of the international community. In addition, rumours, attributed to Musa Ganjab, circulated that Abrar had stolen USD 2 million.

Abrar's refusal to allow the authority of the Central Bank and its Governor to be misused for the recovery of overseas assets, her challenge to the terms of the Shulman Rogers 2013 contract, her rejection of opening a separate Government bank account, her resignation and the international attention this triggered, averted an effort to divert recovered overseas assets involving President Mohamud, then Foreign Minister Adam, Shulman Rogers, Musa Ganjab and Abdiaziz Amalo. Abrar's stand exposed a secret architecture of misappropriation that remains in place, with 'pie-cutting' percentages and direct payments from recovered assets. International scrutiny resulting from her actions enabled a subsequent Governor to protect some recovered assets, but in the absence of transparency of the ongoing recovery effort.

Status of Recovered Overseas Assets

On 6 November 2013, Schulman wrote to Thabit Mohamed at the President's Office, copying Abdiaziz Amalo:

"Thabit, I am writing to inform the President and you that we have just today succeeded in recovering an additional US \$4,856,662.51 in cash. This relates to the accounts that I showed the President on my iPad when I met him in London in June. This brings our cash recovery over the past few weeks to a total of US \$12,326,971.63. This amount is above and beyond the several million dollars in cash and approximately US \$37 million in gold on deposit at the Federal Reserve Bank in New York that is now under the President's control. More good news is that we have just today located even further funds too—another US \$3,878,893.50—and we are working diligently to bring these funds too under the President's control, which we hope to accomplish within the next several weeks."

The same day, on 6 November 2013, Abdiaziz Amalo wrote to President Mohamud in the Somali language (unofficial translation follows):

"I am very pleased today that it's possible the money that was in New York State is being sent to us and it's a big victory. We had difficulty with Somaliland and Puntland, the remaining funds in Europe is about 60-70 million dollars when calculated 25 million dollars was improperly given to Somaliland but will return it. These issues and few more we've been dealing with for the last 5 years, me and Jeremy and Haji Musa for the last 1 year. Mr. President all of this is a way to lift the respect of the Government. There are many people who worked in the previous Governments as well as on your Government that wanted us to work with them behind the scene but we've refused them. I saw my brother-in-law Abukar Arman, the Former Special Envoy to Washington DC, whom we're no longer in good terms.

The second issue that happened is many people accused us of being thieves. They are Marehan [clan] who worked with previous Prime Ministers, who are known and are critical of Shulman's work and want the World Bank to do the work. Mr. President you can get 25% from the World Bank and they have the accounts and want to keep the rest unlike Shulman who want to transfer it all to your name. Mr. President we can say the people looking into this matter are relatives, but yesterday when I worked with Sheikh Sharif we didn't know each other and were not relatives. We are fortunate you became a good president because the more opposition the more progress will happen. In conclusion and as you're well aware that when President Kennedy was asked why he nominated his brother the Attorney General he said 'I am not going to apologize for my family's success.'"

On 3 June 2014, the Monitoring Group wrote to President Mohamud, copying the Committee as well as the Financial Governance Committee, requesting a copy of a comprehensive list of overseas assets identified to date and full accounting records pertaining to the recovery of overseas assets pursuant to contractual relations between Shulman Rogers and the FGS, including any payments made against such recovered assets.

On 17 June 2014, the Monitoring Group received a timely and informative response from the current Minister of Finance of the FGS, Hussein Abdi Halane, with an attached "Summary of Asset Recovery as of December 31, 2013" and letter from Shulman Rogers dated 16 June 2014. Minister Halane duly indicated that some issues required further clarification between the FGS and Shulman Rogers.

Shulman Rogers outlined that of USD 12,326,971.63 worth of assets held in the United States transferred to its custody, Shulman Rogers retained USD 2,711,125.97 for "Fees, Expenses and Set Asides", including its five percent bonus (USD 616,348.63) and six percent for "Expense Set Aside" (USD 739,618.30) pursuant to the 15 July 2013 contract. Shulman Rogers explained in its letter (paragraph 2) that this six percent was for costs it incurred in the recovery process. The net recovery for the FGS was USD 9,615,845.66. However, of this amount, another USD 614,753.41 was retained for "Payment of outstanding CBS vendor invoices". A final amount of USD 9,001,092.25 was transferred on 2 and 5 December 2013 to a Central Bank account at the Ziraat Bankasi (Agricultural Bank of the Republic of Turkey). Shulman Rogers did not indicate any specific payments it had made against the recovered assets, as requested by the Monitoring Group, such as to Haden Global Services or the Podesta Group (regarding both, see below).

On 10 June 2014, the Monitoring Group had confirmed with the Governor of the Central Bank, Bashir Issa Ali, that the USD 9 million currently remains in the Turkish bank account. However, at the time, the Governor had received no indication of the source of the funds, which assets the transfer related to or an accounting of recovered assets.

On 19 June 2014, the Monitoring Group wrote to Minister Halane acknowledging receipt of his correspondence, and reiterated the Group's request for a copy of the list of overseas assets identified to date, which it had not yet received. In addition, the Monitoring Group sought clarity on the additional USD 3,878,893.50 worth of assets that Shulman Rogers had identified and was seeking to recover.

On 2 July 2014, Minister Halane responded to the Monitoring Group. His letter referred to the USD 9,001,092.25 transferred to the Ziraat Bankasi in Turkey and noted Euros 337,000 recovered between 2007 and 2008. However, the Monitoring Group did not receive a copy of the list of overseas assets identified to date as it had requested. In addition, the letter confirmed that Shulman Rogers had identified an additional USD 3,878,893.50 worth of assets that were still in the recovery process but did not indicate the nature or location of these assets or any further information as requested.

At present, the original list of assets identified to date remain undisclosed and continues to serve as a means of controlling the recovery process. Disclosure of this list and the scope of overseas assets as may be currently known by President Mohamud, Shulman Rogers, Musa Ganjab and Abdiaziz Amalo are central to a transparent and accountable recovery process for the FGS. Continuation of a recovery process in secret pursuant to an unpublished contract risks further exposure of overseas assets to misappropriation, particularly given long-term claims on considerable percentages of such assets by Shulman Rogers and Haden Global Services (see below on "Haden Global Services" and its relationship to Musa Ganjab and Abdiaziz Amalo, who are both beneficiaries of the company), direct payments from recovered assets and the potential for other forms of diversion.

Current Status of Contract

Pursuant to consideration of the 15 July 2013 Shulman Rogers contract and its associated Power of Attorney by the Financial Governance Committee, on 13 May 2014, the Governor of the Central Bank of Somalia, Bashir Issa Ali, revoked the Power of Attorney. In correspondence (ref. Gov.10/154/2014) with Jeremy Schulman, the Governor stated:

"In reference to the Power of Attorney dated July 15, 2013 granted to Jeremy W. Schulman of Shulman, Rogers, Gandal Porzly & Ecker, P.A., by Abdusalam H. Omer, Governor of the Central Bank of Somalia, notice is hereby given that such power of attorney is revoked in its entirety with immediate effect."

The FGS is further engaging with Shulman Rogers regarding renegotiation of the terms of the 2013 contract and narrowing the scope of work to be undertaken.

Investigation of the Monitoring Group Report 2013

The signing of the Shulman Rogers contract on 15 July 2013 coincided with the publication of the previous report of the Monitoring Group (S/2013/413) on 12 July 2013, which included in Annex 5.2 an assessment of diversion of funds from the Central Bank of Somalia and the role of the then Governor, Abdusalam Omer. In order to protect the vested interests in the new contract signed by the Central Bank Governor, Shulman Rogers undertook an effort to discredit and cover-up the findings of the Monitoring Group in order to mitigate the reputational risk they posed to the recovery of overseas assets under the contract. Shulman Rogers entered into another secret contract with Abdusalam Omer, which would involve FTI Consulting, Musa Ganjab and Abdiaziz Amalo, in coordination with President Mohamud and his Office, in order to oppose the evidence presented by the Monitoring Group in advance of the Brussels donor conference on 16 September 2013 and the President's visit to Washington, DC, while the U.S. 25B Certification process was underway. Abdusalam Omer, with the approval of the President's Office, paid for what was publicly projected as an independent investigation, despite a predetermined outcome, with funds from the Central Bank.

Contracting Arrangements

On 18 July 2013, in correspondence addressed to Abdusalam Omer, Jeremy Schulman stated: *"I want you to know that I am available to assist you and the Central Bank in vigorously defending against this [the Monitoring Group] report, and there may be legal and other recourse that can be taken against the investigators and/or the UN."*

On 19 July 2013, Jeremy Schulman submitted a Memorandum to President Mohamud (attached as **Annex 7**) in which he stated: *"I am writing to recommend a strong and proactive plan of action to protect the Government against the allegations of financial impropriety contained in the recent Report of the Monitoring Group".* Schulman added: *"I and my partners at Shulman Rogers have extensive experience conducting these 'counter-investigations', and we would propose to conduct such a review here on an expedited basis so that the Government can properly defend itself against this UN Report."* At this early stage, Schulman redirected blame from

Abdusalam Omer to PricewaterhouseCoopers (PWC), when he stated: *"it appears that they [PWC] completely failed to act as the fiduciary that they were entrusted to be."* He asked why blame Abdusalam Omer and not PWC or the *"Central Bank officials who apparently cannot explain where much of the donor money went?"*

Schulman continued in the Memorandum stating: *"Governor Omer has asked for my help in defending against the allegations in the UN Report."* Schulman recommended to the President that he *"prepare a proper rebuttal report"* to *"disprove most of what the UN Report concludes"*. He proposed enlisting the help of Musa Ganjab and Abdiaziz Amalo to coordinate the efforts. Schulman concluded that the work *"should not delay or otherwise have any impact on the asset recovery work that we are doing"* simultaneously pursuant to the 15 July 2013 contract signed days earlier.

On 28 July 2013, Abdusalam Omer, again at the direction of President Mohamud, signed an additional contract with Shulman Rogers, which was not registered in the US pursuant to the FARA, *"for the purpose of conducting an internal investigation, and assisting with formulating the Somali Government's response, to the allegations of financial mismanagement contained"* in the Monitoring Group report (attached as **Annex 8**). Omer requested that the work of Shulman Rogers be completed by the end of August 2013, in advance of the international donor conference to be convened in Brussels. For its work, Shulman Rogers requested in the contract an advance retainer payment of USD 40,0000. (See below on "Payment for Services" for the investigation.)

On 4 August 2013, Shulman Rogers subcontracted FTI Consulting, Inc. to provide forensic accounting services for the investigation (a copy of the contract is attached as **Annex 9**). The FTI Consulting contract states that the Central Bank of Somalia *"will be solely responsible for payment of its fees and expenses...As such, FTI will submit invoices for its fees and expenses incurred in connection with this Engagement directly to the Central Bank"*.

Shulman Rogers / FTI Consulting Investigations

On 2 August 2013, Jeremy Schulman submitted a Memorandum regarding an "Investigative Plan" to President Mohamud (attached as **Annex 10**). The Memorandum stated that *"We have been retained...to investigate and defend against allegations contained"* in the Monitoring Group report. It further stated that *"the Firm will focus on investigating and rebutting the allegations in the Report"*, indicating that the conclusions of the investigation were predetermined to defend a client and not to objectively investigate the facts of the case.

In addition, the Memorandum stated that the *"Firm will also analyze potential claims against PricewaterhouseCoopers for its failure to perform according to the fiduciary standards required by its Contract for Consultants' Services"*, indicating an attempt to hold the fiduciary agent acting on behalf of donors responsible for missing funds rather than the Central Bank or the FGS.

The "Investigative Strategy" in the Memorandum included *"Investigating the alleged expertise and judgment of the members of the Monitoring Group responsible for the allegations concerning financial corruption."* In terms of sources, the Firm would obtain and analyze physical *"evidence necessary to address the allegations in the Report."*

The investigative team included legal counsel from Shulman Rogers, forensic accountants from FTI Consulting, a public relations advisor, as well as Abdiaziz Amalo and Musa Ganjab. The Memorandum stated *“we will be identifying ourselves as information technology consultants working on general business matters for Haden Global Services, Inc.”* (See below regarding “Haden Global Services”.)

In its conclusion, the Memorandum stated: *“We look forward to working with you to successfully complete our work by August 31 and assisting in countering the allegations in the United Nations report.”*

During the course of the investigation in August 2013, Shulman Rogers sought documentation from PwC, which it was ultimately legally disabled from providing. On 15 August 2013, in correspondence with Jacob S. Frenkel of Shulman Rogers, legal counsel for PwC stated: *“our client is now quite concerned with the intention behind your investigation.”* In correspondence of 16 August 2013 with PwC legal counsel, Jeremy Schulman stated: *“If we do not receive all of the documents by Monday [19 August 2013], which is when we will begin drafting our report, we will have no choice but to move forward without any meaningful input from PwC. If this is the case, we may not have sufficient information to rebut certain of the allegations in the UN Report.”* With regards to a particular example, he added: *“If PwC does not provide us with the records to rebut this, how are we supposed to conclude that the Monitors’ allegation is untrue?”* He concluded: *“it is really against PwC’s own interests to deprive us of the tools needed to best rebut the UN Monitors’ allegations.”*

A letter from Jacob S. Frenkel of Shulman Rogers to legal counsel for PwC, misdated July instead of August 26, 2013, was entitled *“Re: Request for Information from PwC-Africa in Independent Investigation for Federal Republic of Somalia”* and referred to *“the objective posture”* of the firm, which misrepresented to PwC that the investigation was an “independent” and “objective” one, which it was not. The letter listed the considerable evidence that the investigative team had still not obtained at this late stage, the lack of which would affect the credibility of the final report.

In addition, according to correspondence from Premjit Dass of FTI Consulting to Shulman Rogers and FGS officials, as late as 23 August 2013, a week before the final report was completed on 30 August 2013, the investigative team had still not obtained the accounts of the Central Bank or the Accountant General of Somalia and in the end the report itself did not indicate that these records were obtained.

Published Responses to the Monitoring Group Report

On 23 July 2013, Abdusalam Omer issued publicly a “Preliminary Response to Allegations of Corruption”, which had been prepared by Shulman Rogers in collaboration with FTI Consulting. On 27 August 2013, the Monitoring Group provided a detailed response to Abdusalam Omer, which was copied to the Committee (S/AC.29/2013/SEMG/OC.68).

On 6 September 2013, the FGS released at a press conference in Mogadishu “The Federal Government of Somalia’s Response to Annex 5.2 of the Report of the United Nations Monitoring

Group on Somalia and Eritrea" dated 30 August 2013, which had been prepared by Shulman Rogers and FTI Consulting. An accompanying press release was entitled "International Investigative Team Clears Somalia of UN Report Allegations", but failed to note that the team had been contracted and paid by Abdusalam Omer, who had featured prominently in the Monitoring Group's report. President Mohamud was quoted in the press release as saying: *"it was my responsibility to take seriously the allegations and to direct a thorough assessment of them...I am pleased that the investigative team concluded that these allegations were unfounded."*

However, the report was released without any accompanying evidence for its assertions. On 11 September 2013, the Monitoring Group wrote to the Committee responding to the FGS report, which it had not formally received (S/AC.29/2013/SEMG/OC.75). In its letter, the Monitoring Group referred to a meeting convened in New York on 9 September 2013 with representatives of Shulman Rogers and FTI Consulting, in which they confirmed that their evidence had not been circulated and in which they would not commit to sharing the evidence with the UN. In addition, the Monitoring Group raised in its letter the potential conflict of interest of Shulman Rogers, given their concurrent involvement in the recovery of overseas assets pursuant to the 15 July 2013 contract, and FTI Consulting, given its involvement in another 'secret contract' between the FGS and the United Kingdom-based Soma oil company, both of which had undertaken the investigation to protect their respective vested financial interests.

On 18 September 2013, Shulman Rogers drafted a letter to be sent from then Foreign Minister Adam to the Chair of the Committee transmitting the 30 August 2013 "Response" and its recommendations to the Security Council, including taking formal action against the Monitoring Group, removing the misappropriation of public finances from the Group's mandate, revising the Group's 2013 report, reconstituting the full composition of the Group, and issuing a public admonishment of the Group. In addition the letter, recommended that the Security Council revise paragraph 25 of Security Council resolution 2111 (2013) and that the UN Secretary-General terminate the contract of the Monitoring Group's Coordinator.

Since the draft letter was not dispatched, on 21 October 2013, Jeremy Schulman wrote to Thabit at the President's Office:

"Several weeks ago, we prepared the attached letter and enclosures and proposed that they be formally transmitted to the UN Security Council (Sanctions Committee) through Somalia's Foreign Minister. The purpose of this letter was to formally submit Somalia's Response to the July 12, 2013 Monitoring Group Report and to formally request that the 10 remedial steps contained on pages 67-68 of Somalia's Response, including termination of Jarat Chopra's contract, be considered and adopted by the Security Council. As far as I know, this letter has not yet been submitted to the Security Council. It is very important in my view that the letter be submitted as soon as possible, along with a full copy of our August 30, 2013 Response, so as to demonstrate that the Somali government fully accepts the findings and recommendations in the Response and so as to put the Monitoring Group on formal notice for the future that Somalia will not stand for corruption allegations that cannot be properly substantiated by the evidence.

I would be grateful if you would please show this email and letter to the President and, assuming he approves the letter, please arrange for the Foreign Minister to submit it to the Security Council at her earliest convenience."

Eventually, the letter from then Foreign Minister Adam to the Chair of the Committee, dated 24 October 2013, was transmitted from the Permanent Mission of Somalia to the United Nations on 12 November 2013, in the wake of Yussur Abrar's resignation, and circulated to the Committee (S/AC.29/2013/NOTE.89/Add.5).

The Shulman Rogers 'counter-investigation' of the Monitoring Group's 2013 report ultimately served as an aggressive public relations campaign to preserve control over the effort to recover overseas assets and counter any perceived opposition to it, similar to steps taken to undermine the integrity of Yussur Abrar following her resignation. While the Monitoring Group's findings in 2013 had concerned an individual, Abdusalam Omer, and not the FGS as a whole, Shulman Rogers transformed the defence of an individual into a defence of the FGS against the Monitoring Group, thereby unnecessarily fomenting tensions between the FGS and the Group. Shulman Rogers attempted to create an alternative narrative to the Monitoring Group's findings to protect the image of the recovery effort, while Abdusalam Omer wanted a report to exonerate him, payments for which he would withdraw from the Central Bank. Ironically, the expenditure of public funds on private interests had precisely been one of the issues identified by the Monitoring Group, which has only been exacerbated by secret payments pursuant to secret contracts.

Payment of Services

For the "*Agreement Between CBS & SHULMAN ROGERS for Investigation of UN Report*", the Monitoring Group has identified the following transfers from the Central Bank of Somalia to Shulman Rogers, as signed or instructed by Abdusalam Omer as Central Bank Governor:

- 30 July 2013: USD 70,000 (payment reference: Gov. 10/081/2013);
- 3 August 2013: USD 401,456.69 (payment reference: QM&F-10/084/2013);
- 4 August 2013: USD 50,000 (payment reference: Gov. 10/087/2013); and
- 31 August 2013: USD 401,456.69 (payment reference: QXG-10/092/2013). According to attached invoices, this payment was divided as follows: USD 267,627.86 for Shulman Rogers, USD 56,838.83 for FTI Consulting, and USD 76,990 for Haden Global Services.

(The Central Bank of Somalia transfer documents for these payments, totaling USD 922,913.38, are attached as **Annex 11**.)

These payments appear not to have been recorded as withdrawals in the accounts of the Central Bank of Somalia.

On 23 August 2013, Jeremy Schulman wrote to Abdusalam Omer:

"I have enclosed invoices from Shulman Rogers, FTI Consulting, and Haden Global Servs. (Abdiaziz's company) for our fees and expenses incurred in connection with the UN investigation through this past weekend...As you can see, \$65,000 out of the \$120,000 retainer payment that you sent me previously was applied to the Shulman Rogers bill, \$15,000 was applied to the FTI bill, and \$10,000 was applied to the Haden bill. I sent an additional \$25,000 as a retainer to our

security company, and the remaining \$5,000 went to cover cash expenses for our team's flights to Mogadishu and Mombasa."

Regarding the final payment of 31 August 2013, Abdusalam Omer wrote on 28 August 2013 to Hassan Sheikh of the Central Bank:

"...please prepare to pay the invoices from our lawyers. As you know we have a standing agreement with Schulman [sic], Rogers and we have to honor this agreement. The protocol of paying these invoices should [be] the same Bank addresses and arrangements as the first \$120,000 payment. Make sure we don't repeat the same mistakes as last time when we are transferring the funds."

The same day, on 28 August 2013, Jeremy Schulman wrote to Abdusalam Omer:

"...we just heard from Hassan that he will not send the payment until he speaks to Thabit [at the President's Office]. We would appreciate if this payment could be processed promptly with whatever support Hassan requires from Thabit."

Later on 28 August 2013, Abdusalam Omer wrote again to Hassan Sheikh of the Central Bank:

"...please pay the invoices from our lawyers. As you know I signed the contract on behalf of the central bank. It is our contract to honor. As you told me this morning you want to talk to the chief of staff of the president that is ok but he is getting these emails and he will call you if he has any questions for you."

On 31 August 2013, Thabit of the President's Office wrote to Hassan Sheikh of the Central Bank:

"Please note that the legal firm has almost concluded their task and are only stuck for their payment – remaining –as per their invoices claimed.

Kindly wire their payment as per the invoices sent to you earlier and below communication from the CBS Governor instructing the process the legal firm payment."

On 22 October 2013, Shulman Rogers, pursuant to the FARA registration of its 2010 contract (registration number 5976), submitted a "Supplemental Statement" for the six-month period ending 30 September 2013, which is available online at:

<http://www.fara.gov/docs/5976-Supplemental-Statement-20131022-7.pdf>

In the "Supplemental Statement", Shulman Rogers reported (in section 14) that by 30 September 2013 it had received USD 870,230 from the Central Bank of Somalia for "Legal fees and expenses for period February 18, 2010 to July 12, 2013". In addition, Shulman Rogers reported (in section 15) that between 1 April 2013 and 30 September 2013, it had disbursed USD 59,248.38 to "Third-Party Vendors" for "Out-of-pocket expenses".

In the “Summary of Asset Recovery as of December 31, 2013” attached to Minister Halane’s letter of 17 June 2014, Shulman Rogers indicates that USD 870,230 was retained from recovered overseas assets for “Prior Services” and “Expenses Incurred Prior to July 15, 2013”. No mention is made in the “Supplemental Statement” of the four payments listed above, transferred to Shulman Rogers from the Central Bank, pursuant to the 28 July 2013 contract with Abdusalam Omer for the investigation of the Monitoring Group report. Nor is any mention made of payments to FTI Consulting or Haden Global Services.

Shulman Rogers did report in its “Supplemental Statement” (in section 7) that it had terminated its connection with the “Republic of Somalia” on 15 July 2013, corresponding to the date of the new Shulman Rogers contract. It also reported (in section 8) that new foreign principals had been acquired, namely the Federal Republic of Somalia and the Central Bank of Somalia, but stated: “Principal acquired on July 28, 2013, however FARA activities did not begin until September 1, 2013”, after the completion of the UN investigation and receipt of payments pursuant to the 28 July 2013 contract with Abdusalam Omer. Shulman Rogers did not file either the 15 July 2013 or the 28 July 2013 contracts as requested in section 10.

In section 5(b), Shulman Rogers responded “No” to the question: “*During this six month reporting period, has the registrant hired as employees or in any other capacity, any persons who rendered or will render services to the registrant directly in furtherance of the interests of any foreign principal(s) in other than a clerical or secretarial, or in a related or similar capacity?*”

Haden Global Services

An entity called “Haden Global Services” was initially used for those involved in the investigation of the Monitoring Group report in 2013, but was principally the means by which Shulman Rogers transmitted funds to Musa Ganjab and Abdiaziz Amalo and ensured their share of recovered assets.

On 3 August 2013, Abdiaziz Amalo wrote to Musa Ganjab: “*You and I work this company Haden Global Services for UN investigation <http://hadenglobalservices.com/1.html>”.*

Abdiaziz Amalo registered the domain name “hadenglobalservices.com” on 20 July 2013 for “Haden Global Services LLC”, located at a residence owned by Amalo: 17900 Lyles Dr., Hagerstown, MD, 21740, USA, telephone: +1-301-273-8016. On 6 August 2013, “Haden Global Services, LLC” was registered (no. W15396815) in Maryland, USA, for the purpose of “*Development Project Management. Legal Support Services. Contracting.*”

On 4 August 2013, in correspondence entitled “Investigative Communication (Project Y)”, Abdiaziz Amalo wrote to Jeremy Schulman, Koushik Bhattacharya of Shulman Rogers, Thabit of the President’s Office and Musa Ganjab:

“...we will be identifying ourselves as information technology consultants working on general business matters for Haden Global Services, Inc (<http://hadenglobalservices.com/2.html>)

please make sure to use these email...account were created for this project, change your password on your Account for first time login:

Haden Global Services Office Number: 301-200-8960

In this correspondence, Abdiaziz Amalo provided a webmail access address, and email addresses and passwords for himself, Musa Ganjab, Jeremy Schulman, Koushik Bhattacharya, Jacob Frenkel of Shulman Rogers, and Thabit of the President's Office.

On 13 September 2013, Abdiaziz Amalo wrote to Jeremy Schulman, copying Musa Ganjab, submitting an invoice to Shulman Rogers for USD 107,730 including timesheets and expenses for Abdiaziz Amalo and Musa Ganjab (attached as **Annex 12**). The following exchange took place on 13 September 2013 regarding the invoice:

Abdiaziz Amalo: "Hello Dear Jeremy, Please kindly see attached invoices from Haden Global Services. Thank you in advance for your cooperation. We hope to continue doing business with you in the future. Sincerely, Abdi Amalo"

Jeremy Schulman: "What about the \$5,000 I advanced you?? Also, I need your overall bill, including hours."

Abdiaziz Amalo: "I need to adjust our expense sheet. \$2500 you already deducted from our wiring amount so you can add your expenses \$5000. Will send our overall bill later. Thanks, Abdi"

Jeremy Schulman: "Forgot about the 2500 deduction. You are right. But don't forget the other 2500."

Abdiaziz Amalo: "Jeremy, Please kindly see attached corrected expense sheet for the project. I made correction Airline tickets to Mogadishu which we cover all and you paid \$2500 Thabit for old bill of Jazeera Hotel. Many Thanks Abdi"

On 21 November 2013, following an interview with a journalist, Jeremy Schulman wrote to Thabit stating, *"I told him [the journalist]"* that Musa Ganjab and Abdiaziz Amalo *"in fact, have not been paid a single dollar under this contract."* This statement is apparently false given the evidence above.

On 26 November 2013, well after completion of the investigation of the Monitoring Group report, Abdiaziz Amalo forwarded to Musa Ganjab a wire transfer from Haden Global Services for USD 40,000 (attached as **Annex 13**): *"Xaaji Musa, Attached is your wire. Thanks, Abdiaziz"*. Musa Ganjab forwarded the transfer to an email address (abukarj@hotmail.com) believed to belong to his brother Abukar Ganjab, and which is also part of correspondence including Musa Ganjab and Abdiaziz Amalo regarding an arms transfer involving Al-Shabaab (see below on "Arms Transfer to Adale").

Subsequently, Shulman Rogers on behalf of the Federal Republic of Somalia entered into a Memorandum of Understanding (MOU) with Haden Global Services, LLC dated February 2014 (attached as **Annex 14**), in respect of the recovery of overseas assets. According to the MOU, Haden Global Services had been providing the following services based on "oral understandings",

reflecting the dual role played by Musa Ganjab and Abdiaziz Amalo for Shulman Rogers and the FGS in a conflict of interest:

"(a) making introductions between various Somali officials and Shulman Rogers, (b) explaining the recovery project to various Somali officials and convincing them of the importance of recovering Somalia's assets for the benefit of the Somali people and the need for their assistance with the Project, (c) coordinating preparation and signature of various authorization documents needed to recover Somalia's assets, (d) assisting Shulman Rogers in identifying, locating, and recovering financial and other assets belonging to Somalia that are being held in financial institutions or by public authorities outside of Somalia, and (e) providing interpretation and translation services, logistics management, security services, and other coordination efforts deemed necessary to further Somalia's efforts to obtain information about, and to recover, financial and other assets belonging to Somalia that are being held in financial institutions or by public authorities outside of Somalia".

For the performance of these services for the period 1 January 2013 through 31 December 2013, Haden Global Services would be retroactively compensated at an hourly rate of USD 295 per hour per staff member. The MOU does not indicate the source of these funds. However, according to Shulman Rogers' "Summary of Asset Recovery as of December 31, 2013", attached to Minister Halane's letter of 17 June 2014, the only available funds would be the six percent of assets recovered during 2013 and retained by Shulman Rogers for "costs" (USD 739,618.30) and/or a portion of "outstanding CBS vendor invoices" (USD 614,753.41) subtracted from the balance owed to the Central Bank of Somalia.

In addition, for the performance of services for the periods July 2009 through 31 December 2012 and from 1 January 2014 onwards, Haden Global Services would receive between two and five percent of all overseas assets to be recovered, including those assets held by the Federal Reserve Bank of New York amounting to USD 21,655,925.52. As with the 15 July 2013 Shulman Rogers contract, the MOU includes an obligation to pay these percentages for assets to be recovered in the future after termination of the MOU: *"The obligation to pay the fee shall survive termination of this MOU. Accordingly, should the Central Bank recover assets after this MOU has terminated, the above fee percentage shall be payable to Provider [Haden Global Services] immediately upon the asset's recovery by or on behalf of the Central Bank, but only to the extent efforts, directly or indirectly, were made by Provider and/or Shulman Rogers to recover the particular asset prior to the termination of this MOU."*

This MOU in combination with the Shulman Rogers contract of 15 July 2013, would mean that from all recovered overseas assets, Shulman Rogers retained a bonus of five percent as well as six percent for "costs", and an additional two to five percent would be paid to Haden Global Services before any funds were remitted to Somalia. In this manner, layers of secret contracts created the opportunity for the misappropriation of public Somali assets in the absence of public scrutiny. Indeed, by one means or another, Shulman Rogers ensured that they got their cut of the overseas assets and Musa Ganjab and Abdiaziz Amalo got their cut.

Podesta Group, Inc.

Shulman Rogers initially engaged the Podesta Group to provide public relations services following the investigation of the Monitoring Group's report pursuant to an initial contract in September 2013, but expanded the engagement in a much broader contract in November 2013. While an initial payment was transferred to the Podesta Group from the Central Bank, Shulman Rogers made subsequent payments directly from recovered overseas assets in coordination with President Mohamud's Office. Such direct payments from recovered assets are not part of any system of public accounting in the FGS and again reflect the opportunity for misappropriation created by the structure and numbers of secret contracts.

September 2013 Contract

Prior to his resignation on 13 September 2013, Abdusalam Omer signed one final contract with the Podesta Group on 6 September 2013. According to the contract, contained in correspondence addressed to Jacob Frenkel of Shulman Rogers, the Podesta Group would perform work for the Federal Republic of Somalia "*through, at the direction and working under the attorney-client privilege of its counsel*" Shulman Rogers. The one-month contract was for the period 1 September 2013 through 30 September 2013. For providing "public affairs services", Podesta was to be paid USD 120,000 in two instalments of USD 60,000 each.

The Podesta Group filed a submission pursuant to the FARA dated 16 September 2013, with the contract attached, which is online at:

<http://www.fara.gov/docs/5926-Exhibit-AB-20130916-31.pdf>

In its "Supplemental Statement" of 22 October 2013, Shulman Rogers indicated in paragraph 11: "*The registrant has advised the Federal Republic of Somalia in conjunction with the Federal Republic of Somalia's retention of the Podesta Group to coordinate public relations outreach.*"

The Central Bank of Somalia, while Abdusalam Omer was still Governor, paid the initial instalment of USD 60,000 on 8 September 2013 (transfer documents are attached as **Annex 15**). This payment appears not to have been recorded as a withdrawal in the accounts of the Central Bank of Somalia. Notably, the Central Bank did not pay the second instalment of USD 60,000, since Abdusalam Omer had resigned by then, but instead Shulman Rogers paid it from recovered assets, as below.

Pursuant to the September 2013 contract, the role of Podesta was to provide a publicity campaign for the investigation of the Monitoring Group report prior to the Brussels donor conference on 16 September 2013 and while the 25B Certification for assets held in the United States was pending, as well as to provide publicity and arrange political meetings during the visit of President Mohamud to the United States thereafter.

On 11 September 2013, Jeremy Schulman wrote to Kamal Hassan, the Chief of Staff of President Mohamud, listing a number of media and political opportunities:

"When I was with the President, he asked me to help coordinate opportunities for him to meet with political and thought leaders in Washington and New York, and he asked that I contact you to

determine his schedule. To fulfil this mandate, we have engaged a team of media and government relations advisers who have just come forward with several very good opportunities. However, we need to act very quickly to lock in a specific schedule for the President, as the leaders with whom we are speaking have very busy schedules and their calendars are filling up with other commitments. I need to get back to them today to tell them, very concretely, when the President is available and if he is interested in going forward with some or all of these opportunities. I would be grateful if you would please get back to me today with the President's specific availability and instructions on how he would like to proceed."

November 2013 Contract

Following completion of the September 2013 contract, Shulman Rogers engaged with the Podesta Group regarding a considerably broader contract. On 16 October 2013, Kimberley Fritts, CEO of the Podesta Group, wrote to Jeremy Schulman and Abdiqaziz Amalo and provided a "Proposal to Provide Strategic Support for Federal Republic of Somalia, October 16, 2013" (attached as **Annex 16**):

"As promised, attached, please find our proposal which reflects the issues you laid out on our earlier call. Building on the success of President Mohamud's recent US visit, the proposal also lays out a strategic framework and recommendations that will help continue to favourably position Somalia in the US and around the globe....We know we have the expertise and political know-how and are excited about the possibility of continuing our work together."

The "Proposal" began by saying:

"The Podesta Group was honored to partner with Somalia in managing its public relations response to the United Nations (UN) Monitoring Group's recent report on Somalia and Eritrea and helping with President Mohamud's visit to Washington and the UN General Assembly in New York. Our public relations efforts were extremely successful—from securing interviews for the president and foreign minister with top global news outlets to ensuring Somalia's response to the UN report was widely circulated and read in both traditional and social media. Likewise, on the government relations front we were able to secure in very short order two very high-profile meetings..."

The "Proposal" further referred to a "global campaign" for a "Marshall Plan" for Somalia, including three pillars: democracy building and justice, counterterrorism cooperation and security assistance, and government capacity to deliver basic services. For instance, the "Proposal" stated: *"...we have deep experience and expertise in obtaining arms and security assistance for our clients"* and described the options for sourcing such military equipment.

For their services, the Podesta Group proposed a monthly USD 50,000 retainer fee, a three percent administrative fee as well as expenses.

On 3 November 2013, Jeremy Schulman wrote to Kimberley Fritts:

"Kimberley, having met again this morning with the President, we can agree to a \$40,000 per month fee plus expenses, but we would need the PR/media included. I do not expect that this will

require significant additional work, but we would like for John and his team to be available on a limited basis during the term of the agreement to consult on press strategy, help getting out press releases, and possibly arrange media interviews.

As for the government relations, I would like to reiterate that the President's highest priorities during the first three months are (1) arranging an official state visit at the White House with President Obama, and (2) lobbying Congress and the administration for needed military equipment and supplies pursuant to a list that we will provide shortly. Please send me your draft engagement letter as soon as you can, and please be as specific as possible about what the scope of work will be. For the moment, please leave blank the precise addressee and signatory. In light of the transition at the Central Bank, we will need a few days to determine if you will be retained directly under the authority of the President or through some other branch of the government.

As for payment, we have authority to send you the \$67,773 tomorrow, which is the amount outstanding from the UN Monitoring Group investigation. We will do so. The additional \$120,000 advance of three months (\$40,000 x 3) will be paid immediately upon signature of the new contract.

Many thanks, and we look forward to our continued work together."

Ultimately, Jeremy Schulman would sign the contract with the Podesta Group on behalf of the Federal Republic of Somalia. On 22 November 2013, Jeremy Schulman wrote to President Mohamud and Thabit of the President's Office:

"Mr. President and Thabit,

...Attached is the final version of the Podesta contract that is ready for me to sign on behalf of the government pursuant to my recent emails with Thabit. I will plan to sign this tomorrow at 12 noon Washington time and then pay Podesta their fee for the first three months, which is \$120,000 plus the \$3,600 administrative fee, from the funds we have recovered under the President's authority, as approved in Thabit's recent email. If anything has changed in your minds about proceeding with this contract as structured, please of course let me know. Podesta is eager to get started, and I look forward to helping coordinate their efforts to bring about successful results as soon as possible."

Notably, Shulman Rogers letter of 16 June 2014 accounting for recovered assets, attached to Finance Minister Halane's letter to the Monitoring Group of 17 June 2014, does not indicate which recovered overseas assets were used to pay the Podesta Group.

Jeremy Schulman signed the contract with the Podesta Group on 25 November 2013 for the period 20 November 2013 through 19 February 2014, to be automatically renewed every three months. The contract (attached as **Annex 16**) indicated the services to be provided:

"Services: The Provider shall perform services to assist Somalia's economic and political reforms among U.S. audiences. Services shall be performed through, with the coordination of, and under the attorney-client privileges of Shulman Rogers. The Provider shall achieve objectives through a

combination of policy and communications expertise and other services that may be agreed by the Parties in writing ('the Services')."

On 28 November 2013, Jeremy Schulman wrote to Thabit of the President's Office:

"Thabit, for the President's and your records, attached is the signed version of the new Podesta contract. I will push them as hard as possible to bring successful results."

On 30 April 2014, Shulman Rogers filed an additional FARA "Supplemental Statement", which is online at:

<http://www.fara.gov/docs/5976-Supplemental-Statement-20140430-8.pdf>

In this "Supplemental Statement", Shulman Rogers reported (in section 15) that between 1 October 2013 and 31 March 2014 it had disbursed USD 65,400.28 to "Third-Party Vendors" for "Out-of-Pocket Expenses", which largely corresponds to the second payment for Podesta's September 2013 contract. In addition, Shulman Rogers reported (in section 14) that by 16 January 2014 it had received USD 123,580 from the Federal Republic of Somalia for "Payment for Podesta Group retainer", which, as indicated above, was drawn down from recovered overseas assets.

Arms Transfer to Adale

The Monitoring Group has earlier informed the Committee about weapons deliveries to an Al-Shabaab commander, Sheikh Yusuf Isse "Kabukatukade" (S/AC.29/2014/NOTE.15 of 6 February 2014), a case which the Group is developing further in its final report. It is worth noting here, however, the involvement of Abdiaziz Amalo and Musa Ganjab.

On 26 October 2013, Abdiaziz Amalo wrote to Musa Ganjab, with the subject heading of "Hubkii cadale" (Adale weapons), in the Somali language (unofficial translation follows):

"The weapons heading to Adale have left. Therefore be aware that two of the heavy guns should be handed over to Sheikh 'Koba ku Dukade' and two containers with light weapons and three 'suug' belongs to Abdi Qeybdiid, so he can hand it over to his new militia. [Al-Shabaab leader] Ahmed Godane is going to El Buur, so the agreement between him and the President can be finalized.

Thanks Abdiaziz"

On 27 October 2013, Musa Ganjab forwarded the message to the email address abukarj@hotmail.com (the same address to which he forwarded the USD 40,000 transfer from Haden Global Services), believed to belong to his brother Abukar Ganjab, and wrote in the Somali language (unofficial translation follows):

"Brother Abukar the weapons have left the top and they will be docking in Adale port. So, therefore take over the responsibility of receiving the ones that belong to the government, and hand over the ones going for Al Shabaab, Sheikh Yusuf 'Koba ku Dukade'. Abdi Qeybdiid will send some people to collect his part. I will provide you with the names. Inform Koba ku Dukade to

stick to the agreement and I will have the President call you, inshallah. I ordered most of the weapons from Yemen, and they will be there, inshallah, so therefore put all your effort into this. So inform Sheikh Fiidow and Sheikh Yusuf Sheikh Isse, that I have postponed the government attack on Baraawe because even if the power is not taken away from Ahmed Ma'alim Faqi the attack would have taken place anyway. We are in a difficult situation as Saacid's group refused to enter into a truce with Al Shabaab. I am fighting to make sure that Saacid is sidelined. Please, take on this responsibility, and need you to hand over all the documents related the weapons transfers to me, inshallah."

Musa Ganjab appeared to have an earlier link with Al-Shabaab. On 8 October 2010, he received the following correspondence from an email address (ward_here@hotmail.com) in the Somali language (unofficial translation follows):

"My brothers, after greetings from us Harakatul Shabaab al Mujahideen, we are hereby requesting the assistance that you have promised us during the last meeting that took place in Malaysia. During that meeting you informed us that you will support us with medicine of various types that we badly need, and which we were expecting to receive yesterday 7.10.10. The elders [odayaasha?] representative Mr. Nagu informed us to send an email to you. We therefore send this email to inform you that we still need the promise from the ██████████ government, and we are still waiting to receive this support. Please be informed that we are in a heavy fighting and many government has asked us what our need is, which we have not responded to yet. The reason we contact you is that we feel that you are our brothers who fought with us and has an idea about who the enemy is. We want you to know the support you give us today will be recorded in history in the near future we will sit down together, face to face, the same way you have negotiated with Artan according to the news that reached us. We will invite you to a peaceful Mogadishu after we have chased away the enemy. You are aware of our enemies as there is nothing hidden from you, our brothers. So please, urgently follow up on this issue.

This request is submitted by the following:

Hussein Ali Fidow, deputy head of political affairs, Harakatul Shabaab al Mujahideen

Ali Muhammad Hussein Ali 'Jabal', Head of Banadir Region, Harakatul Shabaab al Mujahideen

As we stated before, as we were informed by Artan, the 'respectable' elders from ██████████ accompanied by Haji Muse, a businessman acting as representative of the Somali people, and everyone affiliated with them, that Haji Muse is our 'elder' and we trust him, and we await your answer. We would like to add the following to our request: Two ambulances to evacuate the wounded.

Thank you"

The Monitoring Group will be providing further details regarding Musa Ganjab's interests in the defence and security sector and the FGS weapons management process in its final report on Somalia. Meanwhile, however, it is critical to note in the context of recovering overseas assets his historical and current links with Al-Shabaab, as illustrated in the correspondence above, and financial transactions in respect of Haden Global Services.

Recommendation

Excellency, in light of the material presented above, the Monitoring Group would recommend that the Committee write to Member States and financial institutions holding assets of the Federal Republic of Somalia to maintain a freeze on these assets until such time a genuinely transparent and accountable recovery process can be established for the FGS.

The overall phenomenon of 'secret contracting' in the FGS will be further addressed in the Monitoring Group's final report on Somalia. In the meantime, the Group remains available to the Committee to provide additional details as may be required or to answer any questions the Committee may have.

Please accept, Excellency, the assurances of my highest consideration.

Jarat Chopra
Coordinator
Somalia and Eritrea Monitoring Group
Security Council Resolution 2111 (2013)

His Excellency
Mr. Oh Joon
Chair
Security Council Committee pursuant to
resolutions 751 (1992) and 1907 (2009)
concerning Somalia and Eritrea
New York

cc: H.E. Mr. Elmi Ahmed Duale, Permanent Representative of the Federal Republic of Somalia to the United Nations, New York

Financial Governance Committee c/o:

H.E. Hussein Abdi Halane, Minister of Finance, Federal Government of Somalia, and
Chairman of the Financial Governance Committee
Email: hhalane55@gmail.com

Mr. Nigel Roberts, representative of the World Bank with the Financial Governance Committee

Email: nceroberts@gmail.com

H.E. Mr. Sebastiano Cardi, Permanent Representative of Italy to the United Nations, New York

H.E. Mr. Paul Seger, Permanent Representative of Switzerland to the United Nations, New York