

## Frederick Chiluba

Frederick Chiluba became President of Zambia in 1991, inheriting enormous economic problems, aggravated by the worst drought in the country for 50 years. He tried to set up a free-market economy, and engaged in a big sell-off of state-run enterprises, but corruption became widespread at all levels and crime increased. The sell-off of the state copper mines in particular was heavily criticised and many of the mines company's assets vanished.

With three-quarters of Zambia's population living in poverty, Frederick Chiluba, together with the Head of the Zambian Security Intelligence Services, Zavier Franklin Chungu, concocted a scheme to embezzle over **US\$70 million** from the Zambian Treasury.

In one aspect of the scheme, Chiluba and Chungu, through an intermediary, appeared to contract with a Bulgarian company for the purchase of military equipment, including helicopters, aircraft and weapons.

Amounts of **US\$20 million** in a number of tranches, was paid by the Zambian Treasury to two accounts in Belgium and Switzerland to satisfy the contract.

In reality, no arms were ever delivered, and the money that had been transferred into the accounts went to Chiluba, Chungu and their associates.

The withdrawals from the accounts, purportedly set up to purchase arms from Bulgaria, included **US\$7.6 million** being withdrawn in cash.



Some cash withdrawals were quite large, including one **US\$1.3 million** withdrawal. Other transfers were to law firms associated with the Zambian President and his associates.

By 2002 though he was forced to step down and a year later, corruption charges were filed against the former President, including

the theft of **US\$35 million** of public funds allegedly funnelled into private bank accounts in London.

His wife Regina also faced charges of theft. Chiluba denied all charges, saying they were politically motivated.

A criminal case was

brought against Chiluba in 2004 in the Zambian courts, took 4 years, which though resulted in him being acquitted, with the prosecutors failing to prove beyond a reasonable doubt that any of the assets traced to Chiluba originated from identified stolen money.

Concurrent with these criminal proceedings, the attorney general of Zambia initiated a civil case in the United Kingdom against Chiluba. The trial opened in 2006 and in 2007 he was found guilty of stealing **US\$46 million**.

Chiluba died in 2011.

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**Position: President of Zambia from 1991 to 2002**

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**Amounts involved: US\$100 million**

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**Country: Zambia**

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**Key Date: 2002 (forced to resign as President)**

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