

## **Dos Santos After Sanctions**

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On November 30, 2022 Interpol confirmed that it had issued a red notice for the arrest of oligarch Isabel dos Santos. This announcement was just the latest in a string of bad news for the Angolan oligarch who had once been Africa's richest woman. Her life began to unravel in 2017, when her father, José Eduardo dos Santos, stepped down as Angola's president. In 2018 the government of his hand-picked successor, João Lourenço, began prosecuting her for corruption that it alleged had led to the country's current recession. Her Angolan bank accounts were frozen and some of her Angolan equity stakes seized in 2019, prompting a hasty relocation to Dubai.

In 2020 her husband and sometimes business partner, Sindika Dokolo, died in a freak scuba diving accident in the Persian Gulf. In the same year Angola began efforts to seize her assets in Portugal, while the International Consortium of Investigative Journalists (ICIJ) published the *Luanda Leaks*. These documents revealed the extent of dos Santos' involvement in corruption and likely played a role in the death three days after publication of her personal wealth director. The bad news continued in 2021, with further asset freezes in the Netherlands and a travel ban issued by the United States.

While diminished in both wealth and power, the 50 year old dos Santos still had many years of productive life ahead of her. How could she regain some of the glory that was once hers?

### How Dos Santos Became Powerful

Isabel dos Santos is "the poster child of Angola's oligarchic decade" of the 2000s.<sup>1</sup> Her power and wealth are largely a function of her family connections. In particular, she is the daughter of José Eduardo dos Santos, Angola's president from 1979 to 2017. In terms of development, Angola is a middle-range African country with GDP/capita (PPP) and life expectancy levels similar to Ghana and Côte d'Ivoire. What marks it out, though, is extraordinary natural resources. In particular, Angola is a major exporter of oil and diamonds.

A former Portuguese colony, Angolans fought a war of independence (1961-74), followed by a civil war (1975-2002) between its three main anti-colonial guerrilla movements (MPLA, FNLA, and UNITA). By 1991 a peace agreement was reached and MPLA emerged as the dominant political actor. Dos Santos *pere* became president in 1979 when Angola's first president died in Moscow from cancer.

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<sup>1</sup> De Oliveira, R.S. (2015). *Magnificent and beggar land: Angola since the civil war*. Hurst. p. 151.

He moved decisively to take personal control of Angola's money generation machines, notably the state-owned oil company, Sonangol. But he also had to maintain control over Angola's armed forces as they continued to fight against UNITA in the civil war.

While her father was consolidating power and wealth, Isabel was but a child. Born in Baku, Azerbaijan in 1973, where her parents met at university, she eventually moved to Luanda to attend primary school. Her parents divorced in 1980, and sometime after that she and her mother moved to England. Isabel attended two boarding schools there, then enrolled at Kings College London. In 1997 she moved back to Luanda and began her move to wealth.

### Isabel's Move from Power to Wealth

By the mid 1990s, Eduardo dos Santos had completed his consolidation of power. While the civil war was linger until 2002, when his opponent Jonas Savimbi was killed in combat, Angola was now firmly under MPLA and dos Santos control. Isabel began to do business, first in nightclubs and restaurants, but then in diamonds. As she accumulated capital in the early 2000s, she diversified into mobile phones, banking, oil and gas, cement, and electricity. She also diversified abroad, mainly to Portugal.

Her business investments were often made with partners. Initially, her mother was a co-investor in the diamond business; her husband, Sindika, joined Isabel in diamond retailing later. Portuguese businesspeople partnered with her in both Portugal and Angola.

How did she secure access to these investment opportunities? Initially, through her father, in diamonds and the mobile phone business. Later opportunities are likely to have emerged as a result of her perceived political influence. In no instance did her business partners co-invest with Isabel based on her business acumen.

So it was not a surprise that, when her father stepped down as president in 2017, Isabel's business empire quickly became vulnerable. After all, he had facilitated her initial accumulation of wealth. Even as late as 2016, he appointed her as CEO of Sonangol, the state-owned oil and gas company that was the country's money machine.

Her father's successor took an unexpectedly aggressive anti-corruption approach. Isabel quickly became a target. While she still retained some power, it was diminished vastly. And now her wealth was either frozen or seized.

### What To Do?

From her luxury exile in Dubai, Isabel contemplated her options to stop the decline of her power and wealth. They included the following:

1. Run for president of Angola in 2027. The incumbent could not stand for another term under the constitution. The ruling MPLA party was experiencing a decline in popularity, reflected in their reduced parliamentary majority. Perhaps Isabel could find a way to repackage herself to appeal to the Angola electorate. But how to run for president in a country whose government will arrest you if you return? Would she be prepared to go to jail, as other political figures have done? And what is her cause exactly?
2. Build a new, Dubai-based business empire. But in what direction?
3. Manage what remaining investments she currently controls to preserve capital. But what is the best investment strategy for her to pursue given her relative youth?
4. Mount an aggressive legal defense against the corruption and embezzlement charges levied against her. But what is her best legal strategy, and who should she appoint as her lawyers?
5. Build new strategic alliances, or rebuild old ones. But who should she work with? And who will have her? Is she a toxic asset, even in the oligarch world?

As Isabel enjoyed her new, social media-saturated life<sup>2</sup> at the Bulgari Residences in Dubai, all of these options seemed plausible. But with an Interpol red notice hanging over her head, and an Emirati military officer serving as its president, she knew that she had to proceed thoughtfully.

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<sup>2</sup> Isabel is quite active on Instagram ([isabel\\_dos\\_santos.me](https://www.instagram.com/isabel_dos_santos.me)).