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China's CEFC denies links to alleged Africa bribery plot

By KELVIN CHAN - AP - Wed Nov 22, 3:57AM CST

HONG KONG (AP) — A Chinese energy company has denied it had anything to do with a multimillion dollar bribery scheme that U.S. prosecutors say was organized by two businessmen to secure an edge with African officials on its behalf.

In a [statement](#) late Tuesday, CEFC China Energy Co. sought to distance itself from the corruption, money laundering and conspiracy charges filed against former Hong Kong home secretary Patrick Ho and Cheik Gadio, a former Senegal foreign minister.

CEFC said it "conducts its business activities in strict accordance with the law." "Any activities that go against the law and discipline are strictly prohibited by the company," it said.

Details of the case in court papers provide rare insights into China's ambitions in Africa, highlighted also in the ties exposed by political tumult now unfolding in Zimbabwe.

Prosecutors say Ho and Gadio arranged bribes disguised as donations to secure business advantages in Chad and Uganda for an unnamed Shanghai-headquartered company in violation of the Foreign Corrupt Practices Act.

The complaint's details indicate it was CEFC, a privately owned enterprise that in just a few years has risen to prominence in the state-dominated Chinese oil and gas sector.

The [complaint](#) described Ho as the head of a non-governmental organization funded by an energy company. He's listed as deputy chairman of the China Energy Fund Committee on its [website](#). It describes itself as a non-profit think tank funded by CEFC China Energy.

CEFC said the fund has "no commercial authorization relationship whatsoever with the company."

The company reported about \$39 billion in revenue for 2015 and has attracted attention with a flurry of recent high-profile acquisitions, only some of which are directly related to energy assets.

In September CEFC agreed to buy a 14 percent stake in Russian state-owned energy company Rosneft from commodity trader Glencore and the Qatar Investment Authority.

It bought a \$680 million stake in a joint venture with Kazakhstan's national oil company, KazMunaiGas, that owns refiners and gas stations in Eastern Europe, and also owns part of an oil concession in the United Arab Emirates.

In the Czech Republic, CEFC has spent \$1.8 billion buying control of assets including a soccer team, the airline CSA, a TV and radio station, a brewer, a travel agency, and historic buildings in downtown Prague. It plans to use one of the buildings as headquarters for its European expansion, according to a Czech state media report.

The company's plans to expand in Africa put it on U.S. authorities' radar.

Prosecutors allege Ho and Gadio were involved in efforts to bribe officials in Chad and Uganda.

The court papers submitted to the Southern District of New York court say allegedly was involved in offering a \$2 million bribe to Chad's President Idriss Deby to obtain oil rights without facing international competition. Prosecutors say Ho enlisted Gadio to gain access to Deby because the two were friends.

The company wanted to get a foothold in Chad by teaming up with a Chinese state-owned oil producer, which was facing a \$1.2 billion fine over environmental violations there.

The investment didn't end up going through and CEFC instead later acquired a stake in Taiwan producer CPC Corp.'s Chad oil project.

Prosecutors obtained emails that outlined the plotting and related details like Ho's payment of a \$400,000 commission to Gadio.

"I have to agree with you that the fees of \$100,000 for their introduction to the President is ridiculous," Gadio wrote in one message to his son, who was not charged, in a discussion about Ho's initial offer.

In a second scheme that started around the same time, prosecutors allege Ho was involved in a \$500,000 bribe to Uganda's Minister of Foreign Affairs Sam Kutesa to secure business advantages in the financial and energy sectors.

Ho cultivated a relationship with Kutesa after he was elected to a one-year term as president of the United Nations General Assembly. During Kutesa's tenure, CEFC Chairman Ye Jianming was appointed as special honorary advisory to the body.

Prosecutors say that after Kutesa's term ended and he resumed duties as foreign minister, he and Ho discussed payment of a campaign donation that was in reality a bribe.



In this July, 2015, photo, Patrick Ho, former Hong Kong home secretary, deputy chairman of a non-governmental organization funded by CEFC China Energy poses during an interview in Hong Kong. The...

The court papers say emails sent by Ho promised to bring an entourage of CEOs to Uganda to consider major projects in energy, farming, finance and banking.

CEFC denied investment activities in Uganda except for its stake in the CPC project and said it did not have an "interest relationship" with Chad's government.

AP writer Yi-Ling Liu contributed to this report.

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