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Patrick Ho, Former Head Of Organization Backed By Chinese Energy Conglomerate, Sentenced To 3 Years In Prison For International Bribery And Money Laundering Offenses

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Geoffrey S. Berman, United States Attorney for the Southern District of New York, and Assistant Attorney General Brian A. Benczkowski of the Justice Department's Criminal Division, announced that CHI PING PATRICK HO, a/k/a "Patrick C.P. Ho," a/k/a "He Zhiping," was sentenced today to **three years in prison for his role in a multi-year, multimillion-dollar scheme to bribe top officials of Chad and Uganda in exchange for business advantages for CEFC China Energy Company Limited ("CEFC China").** HO was convicted of violations of the Foreign Corrupt Practices Act ("FCPA"), money laundering, and conspiracy to commit the same, **in December 2018, after a one-week jury trial before U.S. District Judge Loretta A. Preska, who imposed today's sentence.**

Manhattan U.S. Attorney Geoffrey S. Berman stated: "Patrick Ho schemed to bribe the leaders of Chad and Uganda in order to secure unfair business advantages for the Chinese energy company he served. **His actions were brazen, including offering the president of Chad \$2 million in cash, hidden in gift boxes.** Foreign corruption undermines the fairness of international markets, erodes the public's faith in its leaders, and is deeply unfair to the people and businesses that play by the rules. Today's sentence recognizes the severe harm caused by Ho's actions."

Assistant Attorney General Brian A. Benczkowski stated: "Patrick Ho bribed officials at the highest levels of government in Chad and Uganda in pursuit of lucrative oil deals and other business opportunities, all while using a U.S.-based NGO to conceal his criminal scheme. This kind of corruption undermines world markets and tilts the playing field against law-abiding companies and individuals. The Department will continue to investigate and prosecute individuals and corporations that engage in foreign bribery."

According to the Indictment, evidence presented at trial, information presented in connection with sentencing, and other publicly available materials:

Overview

HO orchestrated and **executed two bribery schemes to pay top officials of Chad and Uganda in exchange for business advantages for CEFC China, a Shanghai-based multibillion-dollar conglomerate that operates internationally in multiple sectors, including oil, gas, and banking.** At the center of both schemes was HO, the secretary-general of a non-governmental organization based in Hong Kong and Arlington, Virginia, and registered as a charitable entity in the United States, the

China Energy Fund Committee (“CEFC NGO”), which held “Special Consultative Status” with the United Nations (“UN”) Economic and Social Council. CEFC NGO was funded by CEFC China.

In the first scheme (the “Chad Scheme”), HO, on behalf of CEFC China, offered a \$2 million cash bribe, hidden within gift boxes, to Idriss Déby, the president of Chad, in an effort to obtain valuable oil rights from the Chadian government. In the second scheme (the “Uganda Scheme”), HO caused a \$500,000 bribe to be paid, via wires transmitted through New York, New York, to an account designated by Sam Kutesa, the Minister of Foreign Affairs of Uganda, who had recently completed his term as the president of the UN General Assembly. HO also schemed to pay a \$500,000 cash bribe to Yoweri Museveni, the president of Uganda, and offered to provide both Kutesa and Museveni with additional corrupt benefits by “partnering” with them and their families in future joint ventures in Uganda.

The Chad Scheme

The Chad Scheme began in or about September 2014 when HO flew into New York to attend the annual UN General Assembly. At that time, CEFC China – a multibillion-dollar energy company based in Shanghai, China – was working to expand its operations to Chad, and wanted to meet with President Déby as quickly as possible. Through a connection, HO was introduced to Cheikh Gadio, the former Minister of Foreign Affairs of Senegal, who had a personal relationship with President Déby. HO and Gadio met at CEFC China’s suite at Trump World Tower in midtown Manhattan, where HO enlisted Gadio to assist CEFC China in obtaining access to President Déby.

Gadio connected HO and CEFC China to President Déby. In an initial meeting in Chad in November 2014, President Déby described to HO and CEFC China executives certain lucrative oil rights that were available for CEFC China to acquire. Following that meeting, Gadio advised HO and CEFC China to send a technical team to Chad to investigate the oil rights and make an offer to President Déby grounded in factual data. Instead, HO insisted on a prompt second meeting with President Déby. The second meeting took place a few weeks later, in December 2014. HO led a CEFC China delegation, which flew to Chad on a corporate jet with \$2 million cash concealed within several gift boxes. At the conclusion of a business meeting with President Déby, HO and the CEFC China executives presented him with the gift boxes.

To the surprise of HO and the CEFC China executives, President Déby rejected the \$2 million bribe offer, but later agreed to accept the money as a charitable donation to the country. HO subsequently drafted a letter to President Déby falsely claiming that the cash had really been intended as a donation to the people of Chad all along.

HO and CEFC China did not obtain the unfair advantage that they had sought through the bribe offer, and by mid-2015, HO had turned his attention to a different so-called “gateway to Africa”: Uganda.

The Uganda Scheme

The Uganda Scheme began around the same time as the Chad Scheme, when HO was in New York for the annual UN General Assembly. HO met with Sam Kutesa, who had recently begun his term as the 69th president of the UN General Assembly (“PGA”). HO, purporting to act on behalf of CEFC NGO, met with Kutesa and began to cultivate a relationship with him. During the year when Kutesa served as PGA, HO and Kutesa discussed a “strategic partnership” between Uganda and

CEFC China for various business ventures, to be formed once Kutesa returned to Uganda.

In or about February 2016 – after Kutesa had returned to Uganda and resumed his role as Foreign Minister, and Yoweri Museveni (Kutesa’s relative) had been reelected as the president of Uganda – Kutesa solicited a payment from HO, purportedly for a charitable foundation that Kutesa wished to launch. HO agreed to provide the requested payment, but simultaneously requested, on behalf of CEFC China, an invitation to Museveni’s inauguration, business meetings with Museveni and other high-level Ugandan officials, and a list of specific business projects in Uganda in which CEFC China could participate.

In May 2016, HO and CEFC China executives traveled to Uganda. Prior to departing, HO caused CEFC NGO to wire \$500,000 to the account provided by Kutesa in the name of the so-called “foundation,” which wire was transmitted through New York, New York. HO also advised his boss, Ye Jianming, the then-chairman of CEFC China, to provide \$500,000 in cash to Museveni, ostensibly as a campaign donation, even though Museveni had already been reelected. HO intended these payments to influence Kutesa and Museveni to use their official power to steer business advantages to CEFC China.

HO and CEFC China executives attended President Museveni’s inauguration and obtained business meetings in Uganda with Museveni and top Ugandan officials, including with the Department of Energy and Mineral Resources. After the trip, HO requested that Kutesa and Museveni assist CEFC China in acquiring a Ugandan bank, as an initial step before pursuing additional ventures in Uganda. HO also offered to “partner” with Kutesa and Museveni and/or their “family businesses,” making clear that both officials would share in CEFC China’s future profits. In exchange for the bribes offered and paid by HO, Kutesa thereafter steered a bank acquisition opportunity to CEFC China.

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In imposing sentence, Judge Preska explained that, as the UN Convention Against Corruption states: “Corruption is an insidious plague” that is “found in all countries—big and small, rich and poor—but it is in the developing world that its effects are most destructive.”

In addition to his prison term, HO, 69, a citizen of the People’s Republic of China who resided in Hong Kong prior to his arrest in November 2017 and has been detained since his arrest, was fined \$400,000.

Mr. Berman and Mr. Benczkowski praised the outstanding work of the Federal Bureau of Investigation and Internal Revenue Service-Criminal Investigation. He also thanked the Department of Homeland Security, Homeland Security Investigations, and the Department of Justice, Criminal Division’s Office of International Affairs, for their assistance.

This case is being prosecuted by the Office’s Public Corruption Unit and the Criminal Division’s Fraud Section, FCPA Unit. Assistant U.S. Attorneys Daniel C. Richenthal, Douglas S. Zolkind, and Catherine E. Ghosh, and Trial Attorney Paul A. Hayden of the Fraud Section, are in charge of the prosecution.

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