

Australia linked to corrupt cash from China

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Shanghai | Australia's tourism, education and property sectors have received corrupt Chinese money, according to recently opened court files, which reveal at least 76 cases of illicit funds being linked to Australia.

The files contain repeated references to bribes being solicited for holidays in Australia, to pay tuition fees or to purchase a property. They give credence to claims Australia is a favoured destination for corrupt Chinese money, as Beijing pressures Canberra for greater co-operation in its fight against graft.

The files are mainly confined to low-level Chinese officials, whose cases are not considered sensitive, and therefore represent just a fraction of those prosecuted under President Xi Jinping's politically charged corruption crackdown, which began in late 2012.

The register shows how even the most junior officials have profited from China's economic boom. The court files, covering prosecutions over the past two years, show 45 cases where an Australian holiday was used to bribe a government official or employee of a state-owned enterprise. Fifteen used corruptly obtained money to pay for their children's education in Australia, while three officials used bribes to purchase a property in Australia. A further nine received bribes in Australian dollars for undisclosed purposes.

The bribes ranged from \$5000 spending money given to one official prior to visiting Australia, to 55.6 million yuan (\$11.86 million) embezzled from a subway project in Hangzhou by a company executive who fled to Australia - she later returned to China and was given a life sentence.

The court files show Australia had twice the number of mentions as Canada and three times that of New Zealand, other destinations cited as favourites for corrupt Chinese officials. The United States led the list with 376 mentions.

Transparency International Australia chief executive Phil Newman noted Australia's score on the global Corruption Perceptions Index recently slipped for the third year in a row. Australia is now outside the top 10 and lags behind the likes of New Zealand, Singapore and the United Kingdom.

"That's indicative of the external perception of Australia and reflects an

Key points

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Australia slipped again in the corruption perception index.

inertia and complacency about enforcement of foreign bribery laws. It's not a good look and makes Australia a softer target. We're greatly concerned about that," Mr Newman said.

In one case, the daughter of a forestry official from Sichuan Province, Li Mingjie, was given nearly \$24,000 in cash prior to departing for university in Australia. The court files document how Li and his family were having Sunday lunch in September 2012, when two businessmen dropped by to offer their "congratulations" to his daughter.

The first arrived with an envelope filled with 100,000 yuan in cash.

The court files say the daughter was reluctant to accept the money, but relented when her father explained it was "just a loan from uncle", although the rate of interest or a payback period was never discussed. At the same lunch another business associate of her father's called in and gave her 10,000 yuan, also in cash, to help with the cost of her studies in Australia.

Mr Li was convicted in December 2014 of taking 5.1 million yuan in bribes and handed an 18-year jail term.

In China's capital, Beijing, the money on offer was far larger for the likes of Li Zhu, a city level official who was given a suspended death sentence in December 2013 for graft totalling 59 million yuan. The court files show he asked a business contact to "assist" in obtaining some Australian dollars prior to his son leaving for university in Australia. The businessman dropped off \$100,000 in cash.

Another case shows a corrupt official appearing to have few problems transferring money into Australia.

In February 2012, according to the files, a Chinese property developer transferred HK\$500,000 (\$88,000) to a Shanghai government official's account at HSBC in Australia. The official Wan Zhengwei, who was convicted of taking more than \$1.3 million in bribes, used this money as a down payment on a property in Sydney.

With Lucy Gao