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Israeli police detain Beny Steinmetz, owner of BSG Resources (BSGR) and former operator of Simandou mine's two northern blocks, over suspicions of bribery and money laundering. The United States (US) government arrests former mines minister Mahmoud Thiam on charges of money laundering. Thiam alleges that former Rio Tinto Guinea head, Steven Din, offered to pay him a bribe. BSGR sends a letter to Rio Tinto Plc threatening legal action unless it receives a satisfactory response detailing compensation for alleged Rio Tinto-caused losses exceeding billions of dollars.

Israeli police detain Beny Steinmetz on suspicion of bribery and money laundering

Israeli authorities on 19 December detained businessman **Beny Steinmetz**, owner of **BSG Resources Ltd (BSGR)** and former operator of **Simandou** mine's two northern blocks – **Block 1** and **Block 2**.¹ Israeli police arrested Steinmetz on suspicion of bribing **Guinean** officials and money laundering.² The police statement affirms that Steinmetz, in addition to another unnamed Israeli citizen, “are suspected of giving tens of millions of dollars in bribes to senior public sector employees.”³ The police cite an investigation that **United States (US)**, **Swiss**, Guinean and Israeli law enforcement agencies carried out within an **Organisation for Economic Co-operation and Development (OECD)** anti-bribery initiative.⁴ A subsequent BSGR statement claims that the bribery allegations are baseless, part of a Guinea government-led defamation campaign against BSGR, allegedly with the aim of covering up corruption within its governments in recent years.⁵ BSGR continues to deny longstanding allegations of corruption in the process of acquiring the northern blocks of the Simandou mine (see below). Steinmetz's lawyer, **Yuval Sasson**, reportedly alleged on Israeli radio that mining companies seeking to steal BSGR's concessionary rights were responsible for the probe.⁶ Steinmetz has claimed in a recent letter to the company threatening litigation that **United Kingdom (UK)**-based **Rio Tinto** has sought to harm BSGR's reputation (see below).

... US government arrests former mines minister Mahmoud Thiam ...

The US government on 13 December arrested former mines minister **Mahmoud Thiam**, who served during the **Moussa Dadis Camara** (2008-2009) military junta administration.⁷ US authorities detained Thiam on charges of money laundering, allegedly with funds received from an unnamed **Chinese (Hong Kong-based)** mining conglomerate.⁸ There has been speculation that this company could be Hong-Kong-based **China International Fund (CIF)**, after Thiam announced a \$7 billion deal with the company in October 2009, in support of the junta.⁹ CIF is a subsidiary of **Dayuan International Development**, which had also entered into other joint venture operations across **West Africa**, including with state-owned **Société Nationale des Pétroles du Congo (SNPC)** in the

¹ Bloomberg, 19 Dec 2016.

² Bloomberg, 19 Dec 2016.

³ Bloomberg, 19 Dec 2016.

⁴ Bloomberg, 19 Dec 2016.

⁵ Bloomberg, 19 Dec 2016.

⁶ Bloomberg, 19 Dec 2016.

⁷ Guinée News, 13 Dec 2016.

⁸ Guinée News, 13 Dec 2016.

⁹ Financial Times, 11 Oct 2009.

Republic of Congo and state-owned oil and gas company **Sociedade Nacional de Combustíveis de Angola (Sonangol)** in **Angola**.¹⁰ CIF reportedly acted as a link between state-owned African companies and **Sinopec**.¹¹

Preet Bharara, US attorney for the **Southern District of New York**, made the announcement after a **Federal Bureau of Investigation (FBI)** special agent, **Christopher Martinez**, deposed the complaint.¹² Thiam is a US citizen, and if the charges are confirmed, they would comprise a violation of the **Foreign Corrupt Practices Act (FCPA)**. According to FCPA law, an individual can be sentenced to up to 20 years in prison for a single count of money laundering, and five years for each count of bribery.¹³

The FBI complaint describes Thiam's actions as a bribery scheme. The **Department of Justice (DoJ)** alleges that Thiam opened a bank account in Hong Kong in 2009, in order to launder bribes he received.¹⁴ According to Martinez's complaint, Thiam transferred up to \$8.5m from the Chinese company into the account,

"to facilitate the award to the Chinese conglomerate of exclusive and highly valuable investment rights in a wide range of sectors of the Guinean economy, including near total control of Guinea's significant mining sector".¹⁵

The complaint alleges that Thiam then transferred bribes from this account into several bank accounts in the US, to a **Malaysian** company, a concealed \$3.75m payment for an estate in **Dutchess County (New York)**, and payments for private preparatory schools in **Manhattan** for his children and those of at least one other West African public official.¹⁶ The complaint further states that Thiam lied to two US banks as well as on his tax returns, in order to conceal his position as minister and the source of the funds in the Hong Kong account.¹⁷ As assistant attorney general **Leslie R. Caldwell** states,

"Former minister Thiam is accused of enriching himself at the expense of the people of Guinea. We cannot allow the US to be a safe haven for the spoils of official corruption. The department is committed to pursuing both those who pay bribes, and also the corrupt officials who receive them."¹⁸

...while Thiam's bribery claims add to Rio Tinto Plc's governance woes

Thiam has meanwhile made allegations of bribery against Rio Tinto, which, prior to BSGR's entry into Guinea, had sole control of the Simandou concessions. In a media interview on 18 November, Thiam claimed that Rio Tinto's former Guinea country manager, **Steven Din**, offered him a bribe in 2010 in order to win back control for Rio Tinto of Blocks 1 and 2 at the Simandou mine.¹⁹ Thiam's claim is unambiguous,

"Rio offered to pay me off... There is no possibility of doubt. They assumed that BSGR had paid me. He said (referring to Din), 'whatever BSGR offered to pay you, you know we are bigger, we can do better.'"²⁰

Both Din and Rio Tinto deny these claims, maintaining that meetings between Din and Thiam occurred in order to inform the minister of an imminent merger.²¹

¹⁰ Le Figaro, 18 Oct 2009.

¹¹ Le Figaro, 18 Oct 2009.

¹² www.justice.gov

¹³ www.lexology.com

¹⁴ www.justice.gov

¹⁵ www.justice.gov

¹⁶ www.justice.gov

¹⁷ www.justice.gov

¹⁸ www.justice.gov

¹⁹ Bloomberg, 18 Nov 2016.

²⁰ Bloomberg, 18 Nov 2016.

*"I refute anything like that... Rio Tinto has an ethical standard. Irrespective of operating in certain countries, those ethical standards are always upheld."*²²

Thiam's claims add to Rio Tinto's governance troubles. Under its new chief executive **Jean-Sebastian Jacques**, Rio Tinto reported a \$10.5m consultancy payment to **François Polge de Combret**, which was made in 2011.²³ The decision to report the consulting fee came following a review of internal correspondence between then chief executive **Tom Albanese**, iron ore head **Sam Walsh** and then Simandou project head **Alan Davies**.²⁴ Rio Tinto executives claim the fee was used to secure the remaining Blocks 3 and 4 of the Simandou mine for Rio Tinto.²⁵ De Combret is a former adviser to former **French** president **Valéry Giscard d'Estaing** (1974-1981) and reportedly a former classmate of Guinea's current president, **Alpha Condé** (2010-present).²⁶ The company has since fired Davies and notified anti-corruption authorities in the US, UK and **Australia** about its internal inquiry into the consultancy payment, while legal and regulatory affairs group executive **Debra Valentine** resigned in November (see *ARC Briefing Guinea November 2016*).

Rio Tinto's announcement came just over a week after its non-binding agreement to sell its stake in the Simandou mine. Rio Tinto on 28 October announced that it would sell its 46.6% stake in the **Simfer S.A.** joint venture to China state-owned **Aluminum Corporation of China (Chinalco)** for \$1.1 to 1.3 billion (see *ARC Briefing Guinea November 2016*). Simfer holds concessionary rights to the Simandou iron ore mine, where Chinalco was previously a minority shareholder.²⁷ The **World Bank Group's International Finance Corporation (IFC)** sold its 4.6% stake in Simfer in October for around \$200m (see *ARC Briefing Guinea October 2016*).

... and opens the door to a BSGR legal action against Rio Tinto

BSGR sent a letter on 12 December to Rio Tinto CEO Jean-Sébastien Jacques and chairman **Jan du Plessis**, threatening legal action.²⁸ The letter cited Rio Tinto's \$10.5m payment to de Combret (see above). BSGR claims it has lost billions of dollars due to the loss of mining rights in 2011, the loss of the total \$2.5 billion from **Brazil-based Vale S.A.**, loss of business as a result of the "*conspiracy/false allegations made by Rio*" and reputational harm.²⁹ BSGR threatens to use the new evidence and alleged reputation harm to undertake further legal action against Rio Tinto,

*"unless [Rio Tinto] provides a satisfactory response to the matters set out in this letter by 3 January 2017, including proposals to compensate BSGR for the extensive loss and damage suffered as a result of Rio Tinto's unlawful actions, proceedings will be issued without further notice."*³⁰

As one local source states, tensions between Rio Tinto and BSGR appear to be mounting,

*"After the Davies alleged corruption scandal, the appetite appears to be growing for judiciary pursuit, among the old victims of the Simandou affair."*³¹

BSGR claims that Rio Tinto intentionally sought to cause loss to BSGR "*by unlawful means*".³² Despite inconclusive evidence (see *ARC Briefing Guinea November 2016*) from Rio Tinto's internal correspondences, BSGR claims the \$10.5m consultancy fee to de Combret was a "*facilitation fee /*

²¹ Bloomberg, 18 Nov 2016.

²² Bloomberg, 18 Nov 2016.

²³ Australian Financial Review, 10 Nov 2016.

²⁴ Australian Financial Review, 10 Nov 2016.

²⁵ Australian Financial Review, 10 Nov 2016.

²⁶ Financial Times, 10 Nov 2016.

²⁷ GuinéeTime, 1 Nov 2016.

²⁸ Australian Financial Review, 16 Dec 2016.

²⁹ Australian Financial Review, 16 Dec 2016.

³⁰ Australian Financial Review, 16 Dec 2016.

³¹ Source, mining consultant, Conakry.

³² Australian Financial Review, 16 Dec 2016.

bribe”, which would provide Rio Tinto “*assistance with negotiations with Condé, his son **Mohamed Condé**, and the government*”.³³ BSGR claims that the sacking of Davies and resignations of Valentine in November and current Guinea head **Ismael Diakite** on 5 December³⁴ are because of these payments.³⁵ BSGR believes Rio Tinto intentionally suppressed information regarding the e-mails, and maintains that Din (see above) attempted to bribe Thiam.³⁶

According to BSGR, Rio Tinto instructed a “*bewildering array of private detectives*” to “*compile a brief on Steinmetz*”, which it claims relied on hearsay rather than conclusive proof.³⁷ BSGR alleges that Rio Tinto disseminated the contents of these reports “*to parties in positions to deprive BSGR of its rights or otherwise harm its integrity*”.³⁸ BSGR claims that Rio Tinto managed to reclaim Block 1 and 2 of the Simandou mine “*by making allegations of corruption against BSGR*”.³⁹ BSGR alleges that Rio Tinto “*aggressively lobbied Thiam*” in order to regain control of the blocks.⁴⁰ BSGR refers to a “*harassment campaign against BSGR*”, claiming that Rio Tinto “*deployed low flying helicopters over Block 1 and 2 to intimidate BSGR*”, “*refused to move its equipment from Block 1 and 2*”, and “*conducted a press campaign designed to undermine BSGR.*”⁴¹

BSGR also refers to Rio Tinto’s \$700m payment to the government, partially in order to hold onto the southern concession (Blocks 3 and 4), as a bribe.⁴² BSGR claims the payment also served as a means to interfere with BSGR’s rights – “*to set up a deal on Blocks 1 and 2*”.⁴³

Background to the Simandou affair

Rio Tinto first obtained concessionary rights to the Simandou mine in 1997.⁴⁴ Rio Tinto owned the entire Simandou concession until 2008, when the government of the rapidly ailing president, **Lansana Conté** (1984-2008), reportedly retracted Rio Tinto’s share in Blocks 1 and 2 (Simandou North), and assigned them to BSGR.⁴⁵ BSGR had developed close ties to the Conté clan and had reportedly charged **Ibrahim Touré** with the firm’s external affairs in Guinea. Touré’s sister, **Mamadie Touré Conté**, was the president Conté’s fourth wife.⁴⁶

Rio Tinto retained blocks 3 and 4 (Simandou South) but entered a dispute with the government for Blocks 1 and 2. After Conté’s death, BSGR sold 51% of its interest to Vale for \$2.5 billion, though only received \$500m of this as BSGR missed development milestones.⁴⁷ In 2010, the new, democratically elected government of Alpha Condé set up a committee to review the approval of past mining contracts. The committee in 2011 concluded that BSGR had obtained Blocks 1 and 2 through bribery and returned them to Rio Tinto.⁴⁸

In March 2014, following a US FBI investigation, a French national, **Frederic Cilins**, who used to lobby for BSGR, pleaded guilty in a federal court in New York (US) to obstructing a US investigation into a US authorities’ bribery and money-laundering investigation.⁴⁹ Cilins served two years in prison, having pled guilty to attempting to bribe a witness to destroy evidence. Cilins was heard in recorded phone

³³ Australian Financial Review, 16 Dec 2016.

³⁴ Bloomberg, 5 Dec 2016.

³⁵ Australian Financial Review, 16 Dec 2016.

³⁶ Australian Financial Review, 16 Dec 2016.

³⁷ Australian Financial Review, 16 Dec 2016.

³⁸ Australian Financial Review, 16 Dec 2016.

³⁹ Australian Financial Review, 16 Dec 2016.

⁴⁰ Australian Financial Review, 16 Dec 2016.

⁴¹ Australian Financial Review, 16 Dec 2016.

⁴² Australian Financial Review, 16 Dec 2016.

⁴³ Australian Financial Review, 16 Dec 2016.

⁴⁴ The Economist, 6 Dec 2014.

⁴⁵ Economist, 6 Dec 2014.

⁴⁶ Africa Mining Intelligence, 7 Jan 2009.

⁴⁷ Multiple sources: Bloomberg, 18 Nov 2016; www.mining.com

⁴⁸ Economist, 6 Dec 2015.

⁴⁹ WSJ, 10 Mar 2014.

calls and meetings agreeing to bribe the same Mamadie Touré, so she would give him documents to be destroyed. Earlier, US authorities raided Touré's **Florida** (US) home and seized property worth over \$1m, alleging that BSGR had paid her a \$5.3m bribe to help the group win the Simandou North concession.

Rio Tinto in April 2014 filed a case in terms of the US **Racketeer Influenced and Corrupt Organizations Act (RICO)** against Vale and BSGR for alleged fraudulent conspiracy and corruption.⁵⁰ In it Rio Tinto accused Vale and BSGR of colluding and conspiring with Dadis Camara's military junta and its officials, notably including Thiam, in order to take control of Rio Tinto's concessions (see *ARC Briefing Guinea November 2015*).⁵¹ Rio Tinto in the same case accused BSGR of paying a \$200m bribe to Thiam. In November 2015, the court found that Rio Tinto's claim was time barred in terms of the statute of limitations.⁵²

Simandou chronology

- 28 Jul 2008 **Conakry** *Guinée News*. Decree, referenced D/2008/041/PRG/SGG ostensibly rescinds **Rio Tinto** concession at **Simandou**;
- 29 Jul 2008 **Conakry** *Reuters*. Mines minister **Ahmed Kante** says Rio Tinto's Simandou project on track, comments positively;
- 30 Jul 2008 **Conakry** *Guinée News*. Secretary in the presidency, **Sam Mamady Soumah** pens letter to Rio Tinto confirming government's ostensible decision to rescind Simandou concession;
- 3 Aug 2008 *Press Release*. **Transparency International** official states, Guinea would "miss out" by cancelling Rio Tinto concession at Simandou;
- 4 Aug 2008 *Press Release*. Rio Tinto reports it has received letter from president **Lansana Conte** "purporting to rescind the Simandou mining concession";
- 5 Aug 2008 *AFR*. Rio Tinto chief executive **Sam Walsh** states "we will continue with our exploration", comments on recent presidential decrees "if you can explain that, then good luck";
- 6 Aug 2008 *Conakry Africa Guinée*. Rio Tinto to meet president Lansana Conte to confirm authenticity of letter purporting to rescind Simandou rights;
- 11 Aug 2008 *Conakry RFI*. Press reports arrival of Rio Tinto executives with Simandou partner, **International Finance Corporation (IFC)** to negotiate Simandou issue as speculation mounts of a rival **Chinese** offer of investment;
- 6 Sept 2008 **Beyla** *RFI*. Demonstrators in Beyla protesting at Rio Tinto's recruitment policies burn three all-terrain vehicles belonging to the company;
- 9 Sept 2008 **Wawa** *Guinée News*. President Lansana Conte reportedly fails to receive **World Bank** deputy president, **Obiageli Ezekwesili** due to ill health;
- 23 Sept 2008 *Guinée News*. Rio Tinto press release states, "firm intent of the government of Guinea and Rio Tinto", to "move forward" with Simandou project;
- 25 Sept 2008 *RFI*. Prime minister **Ahmed Tidiane Souare** says that "we are a little angry with Rio Tinto lately. We feel the company has not respected all the engagements";
- 21 Oct 2008 **Conakry** *RFI*. **Mamadou Saliou Camara** of the Guinean-**Italian** fund to alleviate Guinea's foreign debt accuses Rio Tinto of wrongly taking credit for Beyla radio station, to which it only contributed 10% of costs;
- 22 Oct 2008 **Conakry** *Guinée News*. During press conference Rio Tinto pledges \$5m, 10 buses, and five rubbish trucks to Guinea, for delivery by end-of-year;
- 17 Nov 2008 **Conakry** *Observateur*. Local newspaper accuses Rio Tinto of 'disregard' for mining code, misrepresentation of reserves at Simandou;

⁵⁰ Globe & Mail, 23 Nov 2015.

⁵¹ www.panamapapers.icij.org

⁵² www.nysd.uscourts.gov

- 9 Dec 2008 **Conakry AFP**. **BSGR's** application for Simandou blocks 1 and 2 is successful and mines minister since 27 August, **Loucény Nabé**, signs the permit;
- 10 Dec 2008 **Conakry AFP**. Rio Tinto announces it will "defer" its investments in Guinea due to global economic slowdown and "uncertainty" over government stance on Simandou concession;
- 16 Dec 2008 **Conakry RFI**. Government spokesman **Tibou Camara** speaks on national television to dispel rumours of president Lansana Conté's death;
- 16 Dec 2008 **Conakry Reuters**. **Beny Steinmetz Group Resources (BSGR)** announces exploration work to commence at Simandou blocks 1 and 2 during January 2009 and allocates \$35m to the exploration work;
- 17 Dec 2008 **Conakry Guinée News**. BSGR defends against media reports on questionable Steinmetz reputation at press conference;
- 17 Dec 2008 **Conakry Press release**. Government announces mandatory transfer of half of the Simandou concession from Rio Tinto to BSGR;
- 19 Dec 2008 **(Guinea) AFP**. The press reports rumours of president Lansana Conte's death;
- 19 Dec 2008 **Conakry Guinée News**. **Rio Tinto Alcan** pledges \$300,000 to community development in **Boke** region in partnership with the **Agence Française de Développement**;
- 22 Dec 2008 **Conakry Le Monde**. President Lansana Conté's death is announced, officially;
- 23 Dec 2008 **Guinée News**. Coup leaders appoint members of new governing "council": six civilians and 26 military, including one general and nine colonels;
23 Dec 2008 **Conakry Africa Guinée**. Captain **Moussa Dadis Camara** leads coup d'etat: military contingent take over national broadcaster, Moussa Camara announces suspension of constitution, political, trade union activity, government and parliament;
- 23 Dec 2008 **Conakry RFI**. Cabinet, military chief, MPs gather at houses of parliament to discuss succession to president Lansana Conté;
- 25 Dec 2008 **RFI**. President **Nicolas Sarkozy** calls for free, transparent elections to be held soon and the **United States (US)** condemns coup, "rejects" junta promise for elections by December 2010;
- 28 Dec 2008 **Bloomberg**. Rio Tinto reiterates claim over full Simandou concession, says, "high priority" to meet junta leaders;
- 15 Jan 2009 **Conakry APA**. **Captain Moussa Dadis Camara** junta government appoints cabinet, including **Mahmoud Thiam** as mines minister;
- 28 Mar 2009 **L'Aurore**. Rio Tinto prefers the transliberian railroad option to the transguinean one to give an easier access to the Simandou mine;
- 30 Mar 2009 **L'Aurore**. The election of **Semafo** director general **Mamadou Diallo** as president of the chamber of mines is controversial;
- 30 Mar 2009 **BBC**. Moussa Dadis Camara publicly accuses former mines minister **Ahmed Kante** of the embezzlement and mismanagement of mining funds;
- 20 Apr 2009 **Conakry Guinée News**. Rio Tinto offered Conakry ten buses and five trucks to commemorate the 50th anniversary of Guinea's independence;
- 27 Apr 2009 **(Guinea) Reuters**. China reveals it was offered a huge African iron ore field seized from Rio Tinto by former president Lansana Conte, but declined out of "sensitivity" to international repercussions;
- 20 May 2009 **Kerouane Africa Guinée**. Hundreds of young people from Kerouane sit in before the front-doors of BSGR, asking the company to recruit them;
- 9 Jun 2009 **Reuters**. According to Chinese authorities, the fact that Rio Tinto unilaterally abandoned the agreement with **Chinalco** has consequences on the Chinese industries and people;

- 15 Jun 2009 Guinée News. **Transparency International** ranking index rates Guinea as the eighth most corrupt country;
- 16 Jun 2009 *AFP*. **France** calls for the junta to respect the electoral calendar before the end of the year;
- 17 Jun 2009 *Conakry Africa Mining Intelligence*. The chairman and chief executive of **Simfer SA/Rio Tinto** attempts a mediation with president Moussa Dadis Camara before he leaves his job at the end of June;
- 21 Jun 2009 *Guinée News*. **China International Fund Ltd** (CIF) signs a \$7 billion oil, mining, infrastructure deal with the Moussa Dadis Camara junta;
- 28 Sept 2009 *Conakry Guinée News*. Soldiers loot opposition leaders **Cellou Dallein Diallo** and **Sidya Toure**'s properties;
- 28 Sept 2009 **(Guinea) RFI**. The **African Union (AU)**, **Economic Community of West African States (ECOWAS)**, France, United States, **United Nations** and **United Kingdom** condemn military junta killings, urge restraint, deplore use of force, threaten sanctions and urge release of political prisoners;
- 28 Sept 2009 *Conakry AFP*. Military junta troops open fire in crowded stadium, killing 157 civilian opposition demonstrators, provoking immediate international outcry;
- 29 Sept 2009 **Paris (France) AFP**. France suspends military cooperation with Guinea;
- 1 Oct 2009 *Conakry AFP*. **Mouctar Diallo**-led opposition party **Nouvelles Forces Démocratiques** rejects captain Moussa Dadis Camara's offer of a national unity government;
- 1 Oct 2009 *Conakry Le Monde*. Captain Moussa Dadis Camara claims opposition forces are responsible for 28 September massacres;
- 15 Oct 2009 **Washington (US) Le Monde**. The US government asks junta's leader captain Moussa Dadis Camara to quit power;
- 16 Oct 2009 **Dakar (Senegal) AFP**. The **International Crisis Group** warns of civil war if the military government stays in power;
- 17 Oct 2009 **Abuja (Nigeria) Premium Times**. ECOWAS imposes arm embargo;
- 18 Oct 2009 *Conakry Press Release*. The AU asks captain Moussa Dadis Camara to confirm in writing that he will not run in 2010 elections.

Implications

Steinmetz's arrest and detention under house arrest, and a US decision to charge Thiam under the FCPA and anti-money laundering legislation is the latest in a sorry saga of a cavalier and 'concessionaire' attitude to mining in Africa's least developed countries. While Thiam, Steinmetz and BSGR insist they are innocent, the story highlights the lengths that miners were prepared to go to secure mining assets at the height of the commodities super-cycle.

Unscrupulous mining companies have for two decades targeted Africa's least developed economies with the express intention of using a febrile political environment to secure mining assets – including expropriation of those that rival firms are developing. This practice was largely finessed in the **Democratic Republic of the Congo (DRC)**'s **Katanga** region where mining executives have repeatedly colluded with the presidency and officials within the presidency to reclaim (expropriate) assets, award them to a friendly local company before 'flipping' them to major international players – often for billions of US dollars. As one DRC businessman observed – one man's political turmoil is another's opportunity.

There are no shining lights in Guinea's grubby tale. While there's no evidence that the payment to de Combret was corrupt, or was an inducement to Condé, nevertheless the fact that Rio Tinto paid \$10.5m to a go-between is surely at odds with the firm's glossy brochures on corporate governance and its code of conduct. Vale appears to have grabbed the Guinea opportunity that BSGR presented it

when the most basic of political assessments or due diligences would have raised questions about Simandou's bona fides and raised doubts about the licence's origins and legitimacy.

The biggest loser in the picture is Guinea. Lost in this long and complex tale is the fact that Guinea bumps along the bottom of the **Human Development Index (HDI)** with a ranking of 182nd out of 188 countries.⁵³ It is only six years since the country's first attempt at democratic government. Guinea had one brutal military dictatorship after another in its post-independence history; the last – Dadis Camara's regime – came to an end soon after military junta troops opened fire in a crowded stadium, killing 157 civilian opposition demonstrators. Three diverse foreign investors will now divert spending from mine development to lawyers and investor relations' professionals; Guinea loses essential spending that creates jobs, on rail infrastructure and on its long-term mining sector. However, Rio Tinto's fire sale of Simandou to Chinalco cements Guinea's economic and political rapprochement with China and may be a safer bet altogether.

⁵³ www.undp.org

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