

Audio recordings drag Guinea president into mine bribery scandal



© Cellou Binani, AFP | Guinea's President Alpha Condé, 78, came to power in 2010 pledging to clean up the country's crucial mining sector.

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Audio recordings obtained by FRANCE 24 have cast new light on the titanic battle raging over one of the world's largest iron ore deposits, suggesting the murky practices Guinea's President Alpha Condé had pledged to stamp out are still taking place.

For several weeks, revelations about suspicions of corruption around juicy mining contracts have multiplied in Guinea, an impoverished West African country that is rich in mineral resources.

In mid-November, the Anglo-Australian mining giant Rio Tinto admitted to paying a commission to a close adviser of President Condé to win mining rights over the Simandou project, regarded as one of the world's largest untapped iron ore deposits.

The Guinean president denies any wrongdoing and says he did not know that his adviser, French banker François de Combret, was being paid by Rio Tinto. But according to exclusive information gathered by FRANCE 24, the Guinean authorities were at least aware of de Combret's go-between role with the various mining companies involved in Simandou.

"The Government of Guinea has been absolutely clear in its position. If anyone believes there is evidence to the contrary, that evidence should be provided to the Government in full in order to allow it to be investigated", a government spokesman told France 24 on behalf of the Guinean authorities after the article was published.

'Closeness to the president'

For several years, Simandou has been at the heart of a fierce battle fought between the Guinean authorities, Rio Tinto and Franco-Israeli businessman Beny Steinmetz.

Upon his election in 2010 after decades of dictatorship, Condé decided to re-examine existing contracts in the mining sector and to rewrite the mining code. Good governance was his motto, with the support of former British Prime Minister Tony Blair and the American billionaire and philanthropist George Soros. Most visibly, he decided to strip BGSR, Steinmetz's company, from its license for Simandou, claiming it had been obtained fraudulently under the dictatorship.

But over the past few months, the tide has turned. Allegations of corruption against people close to the president and linked to new mining contracts have surfaced. A preliminary investigation by the national financial prosecutor's office is under way in France. Most notably, probes by the FBI and the Securities and Exchange Commission (SEC) in the United States rendered public this summer highlight practices in which companies reportedly financed the president's campaign in exchange for obtaining contracts.

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In November 2016, Rio Tinto admitted it paid \$10.5 million to François de Combret, in order to obtain rights on Simandou. It did so through an agreement, signed with the government in April 2011, whereby it agreed to pay \$700 million for the rights.

According to email exchanges, on May 10, 2011, a few days after the signing of the agreement, Tom Albanese, Rio Tinto's managing director, Sam Walsh, head of minerals, and Alan Davies, head of international operations, agreed to pay de Combret \$10.5 million.

"I accept that it's a lot of money," Alan Davies wrote in an email leaked in early November. "But I also put forward that the result we achieved was significantly improved by François' contribution and his very unique and unreplicable services and closeness to the president."



De Combret became acquainted with the Guinean president when they studied political science together in Paris, before going on to serve as Deputy Secretary-General of the presidency under President Valéry Giscard d'Estaing, and then working for decades in the Paris-based investment bank Lazard. Since the victory of Alpha Condé in 2010, he has played a key role in the renegotiation of Simandou. That role remained discreet until the leaked emails, which Rio Tinto claims were encountered in the course of an internal investigation.

Compromising recordings

In the wake of the revelations in November, the mining giant dismissed two of its top executives and informed the American, British and Australian authorities.

The Guinean government reacted by asking for the issue to be fully clarified. It asserted, in a statement by the president himself and then by the Minister of Mines, that the authorities were totally unaware that de Combret was working for Rio Tinto at a time when, according to the government, de Combret had access to very confidential information.

Minister of Mines Abdoulaye Magassouba stressed in his statement that "this raises legal and ethical concerns if, as the press reports suggest, Mr. de Combret provided privileged information in exchange for large sums of money".

In other words, the Guinean authorities are keen to put some distance between them and de Combret, by suggesting that he acted behind their backs by cashing in on his privileged access to President Condé. But according to several testimonies gathered by FRANCE 24, de Combret acted hand in hand with the Guinean authorities, who were aware that he was being paid.

According to a recording obtained exclusively by FRANCE 24 and dating from 2012, de Combret gave a player in the Simandou negotiations the following account of a conversation he had with the Guinean president: "Rio Tinto is a huge company ... But the president told them, 'Listen, if there's no downpayment', I'll cancel the concession.' And he would have done it." (Listen to the recording below, in French.)



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The recording does not establish whether the downpayment refers to de Combret's \$10.5 million commission or to the \$700 million contract. But it indicates that de Combret was working closely with the authorities and that the president himself was involved.

In another recording obtained by FRANCE 24 from late 2012, de Combret offers his mediation between businessman Beny Steinmetz and the government over Simandou. Claiming he was relaying a message from the president, de Combret explained that rather than a costly trial: "a more intelligent solution for both parties would be a transactional solution ... To set up this transactional solution, you must have an intermediary who has the confidence of both sides ... As a gesture of goodwill, you would agree that his childhood friend – that is me – is the intermediary for both. It is the proof of your goodwill since you are choosing his friend." (Listen to the recording below, in French)

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De Combret, who lives in Switzerland, has declined to react to our report, explaining that ongoing legal procedures prevent him from expressing himself. The Guinean Minister of Mines also refused to comment.

A few months ago, the World Bank, which had a small stake in Simandou, decided to withdraw from the project. And Rio Tinto has just sold it to Chinese group Chinalco, officially because of the drop in iron ore prices. But this is not the end of the story. In light of the latest revelations, Steinmetz appears set to launch legal actions against the other main actors in this saga.

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