

Israeli Tycoon Beny Steinmetz Arrested on Suspicion of Guinea Bribery in Global Corruption Case

Beny Steinmetz, a billionaire who owns a mining firm, is suspected of paying off officials in Guinea; court confiscates both his passports, sends him to house arrest and sets bail at \$25M.

Yaniv Kubovich and Jasmin Gueta Dec 19, 2016 10:43 PM

Beny Steinmetz detained by Israeli police in global case, BSG Resources says

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Israeli tycoon Beny Steinmetz was arrested by police on Monday for his suspected role in a sprawling corruption case involving tens of millions of dollars.

Steinmetz is suspected of bribing officials in Guinea and of money laundering. His house and offices were raided Monday morning, police said. He was ordered under house arrest for two weeks by an Israeli court.

A bauxite mine operated by Compagnie des Bauxites de Guinee (CBG) near Boke, Guinea , Sept. 8, 2015. Bloomberg

His Israeli and French passports were confiscated and he is barred from leaving Israel for 180 days. His bail was put at 50 million shekels in cash and an additional 50 million shekels in property (totaling nearly \$26 million). He will be able to post bail in three days.

The businessman owns a mining company that had won mining rights in Guinea.

Guinea confirmed late Monday that Steinmetz's arrest was linked to a corruption investigation started in 2011. Saadou Nimaga, the secretary general of Guinea's Ministry of Mines, told Reuters that the country was not ready to make an extradition request but its investigation could implicate many people.

Steinmetz and other Israelis are suspected of paying out tens of millions in bribes to officials in Conakry, capital of the Republic of Guinea, in return for their help in advancing local business interests.

The investigation is being conducted together with law enforcement officials from the United States, Switzerland and Guinea, as part of a global push led by the OECD to address official corruption in member states. In Israel, the police's fraud squad is working with state prosecutors and local tax officials.

The probe was made public Monday after a covert investigation found evidence supporting the suspicions, police said. Others are expected to be called in for questioning as the investigation continues.

Mining company BSG Resources earlier said in a statement that Steinmetz's arrest was "in the aftermath of ongoing and what BSGR believes to be obsolete investigations surrounding bribery and corruption against BSGR." The firm added it believed the allegations to be baseless.

Steinmetz's lawyer denied the allegations.

The attorney, Yuval Sasson, said, "The current process is a recycling of an old process led by the Guinean government since its corrupt president Alpha Conde rose to power, with the aim of illegally confiscating BSGR's mining rights.

"There have been continuous and baseless attempts aimed at camouflaging acts of corruption with the aim of illegal confiscation of assets," Sasson said.

Steinmetz was recently said to be embroiled in another corruption story in Africa as part of a clash with competitors. According to foreign reports, Steinmetz's competitor spent millions to concoct a conspiracy against

him and prevent one of his subsidiaries from winning a coveted contract.



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