

Clinton Used Giustra's Plane, Opened Doors for Mineral Deals

By Elliot Blair Smith
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On June 21, 2005, Bill Clinton flew to Mexico City aboard a private jet that belonged to a Canadian investment banker he was meeting for the first time.

The introduction paid off for both men. Clinton was borrowing the jetliner to begin a four-day speaking tour of Latin America that would pay him \$800,000. Frank Giustra of Vancouver was forming a friendship that would make him part of the former president's inner circle and gain him introductions to presidents of Kazakhstan and Colombia, where he bought mineral rights.

Giustra, 50, has since put his plane at Clinton's disposal at least a dozen times to raise money for charity, his wife's presidential campaign or himself, according to U.S. flight records and spokesmen for Clinton and Giustra. The Canadian businessman has become one of the largest donors to the Clinton Foundation, pledging half his future minerals earnings in a way that ties the foundation's success to his own.

["If former President Clinton is making decisions about where to put the charitable efforts of the Clinton Foundation based even partly on where he's likely to benefit personally, or see his friends benefit, then that clearly is a classic conflict of interest," says Aaron Dorfman, executive director of the National Committee for Responsive Philanthropy in Washington.](#)

Three months after Clinton and Giustra met, they traveled around the world together on a trip that included a stop in Kazakhstan where Clinton introduced Giustra, who was closing in on a \$425 million mining investment there, to the Central Asian country's leader. Giustra made millions on that deal.

Clinton Foundation Comments

"Mr. Giustra has publicly stated the philanthropic reasons for his contributions," Ben Yarrow, a spokesman for the Clinton Foundation, said in an e-mail when asked for comment on Clinton's use of the Giustra plane. "Any suggestion to the contrary is baseless."

"President Clinton travels on both private and commercial aircraft, including Mr. Giustra's," Yarrow said. "When President Clinton travels, his trips typically include multiple activities: foundation related, paid speeches, official, etc."

Since he left the White House in 2001, Clinton, now 61, has earned more than \$50 million for himself and raised hundreds of millions more for global charities, according to New York Senator Hillary Clinton's financial disclosures and foundation statements.

The former president has declined to identify most of his financial benefactors, including donors to his presidential library. He says he will make public the names of future contributors should his wife win the Democratic nomination.

`Pursuit of Money'

“Bill Clinton is the ex-president who has pushed the pursuit of money into the stratosphere, and will probably set a new bar for future ex-presidents,” says Bill Hogan, director of investigative projects at the Center for Public Integrity, a nonprofit ethics watchdog in Washington, and head of its Buying of the President 2008 program.

“One can imagine an ex-president saying this is none of your business,” Hogan says. “It doesn't work this time because Hillary Clinton is married to him, and she's running for the highest office in the land.”

Tax authorities say Clinton may mix philanthropic fund raising with personal and political business so long as he clearly distinguishes who he represents at each juncture, and his foundation doesn't participate directly in an election campaign.

“You've got a fellow who is active and wearing many hats, and he seems to be bumping against these edges,” says Kansas City attorney Bruce Hopkins, who represents tax-exempt groups and testified before the House Ways and Means Committee in April 2005. “Nothing tells me he blatantly crossed the line.”

`Joint Venture'

At the same time, the relationship “can be construed as a ‘joint venture,’ with Bill Clinton traveling the globe with Mr. Giustra, enabling him to strike lucrative business deals” and Giustra donating to the foundation, Hopkins said. Clinton needs to “carefully differentiate” his charity and business roles or helping Giustra could jeopardize the foundation's tax exemption, Hopkins said.

Giustra, who collects first-edition books and antiquarian coins, generated what he described in a statement as a “great personal fortune” promoting Canadian mining stocks over the past three decades. Giustra also started the movie studio Lions Gate Entertainment Corp. in Santa Monica, California, which he sold in 2003, and founded the Vancouver investment bank Endeavour Financial Corp.

\$131 Million

The Canadian businessman donated \$31 million to Clinton's charity in 2006 through his own nonprofit, the Radcliffe Foundation. Last June, he made an additional \$100 million pledge to the newly established Clinton Giustra Sustainable Growth Initiative, and secured the promise of tens of millions more from Canadian mining companies. He stipulated the funds be deployed in developing countries, where he does most of his business.

The two men became acquainted in January 2005 when Clinton prepared a video appeal seeking help for victims of the Asian tsunami for a fund-raiser Giustra held in his Vancouver home.

They met six months later when Giustra's MD-87 plane -- a twin engine jet the size of a commercial airliner, with a stateroom -- picked up the former president at Westchester County Airport near his New York home for the trip to South America. They made stops in Mexico, Colombia and Brazil, according to federal aviation records confirmed by Gordon Keep, an aide to Giustra.

Bloomberg obtained Federal Aviation Administration flight logs for Giustra's plane for the period January 2005 through December 2007 under the Freedom of Information Act. The records show where the plane went. They don't say who was aboard.

In September 2006, Giustra hosted a 60th birthday celebration for Clinton in Toronto. Flight records show the plane made a New York-to-Toronto round trip on that date.

Campaign Fund Raising

On May 20, 2007, Giustra's plane flew to Tromso, Norway, on the same day Clinton gave a speech there for which he was paid \$290,000. He made five speeches over four days with two more stops in Norway, one in Denmark and one in Sweden, totaling \$1.485 million in personal income.

Austria Today reported that Clinton picked up a \$1 million check for his foundation May 24 in Vienna. U.S. records show Giustra's plane flew from Vienna that day and arrived in Rochester, New York, on May 25, where Clinton gave a speech.

Last November, the plane traveled from Manchester, New Hampshire, where Clinton was campaigning for his wife, to Dublin and London, where he appeared at fund-raising events for her. Clinton spokesman Matt McKenna said the Hillary Clinton campaign paid for the flight.

A Private Dinner

When Clinton and Giustra met in June 2005 on the flight to Latin America, the Canadian's banking firm was working on a venture that involved investing in coal mines and developing a coal-transportation port in Colombia, Canadian securities filings show.

Clinton arranged for Giustra to meet the president of Colombia, Alvaro Uribe, in New York three months later, the Wall Street Journal reported last week. Last year a Canadian company Giustra's investment firm was advising acquired oil fields in Colombia, the Journal reported, and Giustra met Uribe again to discuss a coal-export project.

That was the first time the financial interests of Clinton and Giustra converged. The second was on the former president's trip to Kazakhstan, reported Jan. 31 by the New York Times.

On Sept. 6, 2005, Clinton flew aboard Giustra's plane into Almaty, Kazakhstan's largest city, where the two men met up and shared a private dinner with President Nursultan Nazarbayev, according to interviews and public statements at the time.

The U.S. State Department's country report on human rights for Kazakhstan for 2006, the latest available, criticized the regime for "pervasive corruption" as well as arbitrary arrests and detentions, particularly of government opponents.

'Keep Working'

Clinton and Nazarbayev discussed AIDS prevention, economic development and government, according to their statements.

Another topic of discussion was an agreement Giustra was negotiating with the Kazakhstan government and a former energy minister to buy controlling stakes in three uranium mines.

"When they came here the deal was almost finalized," says Mukhtar Dzhakishev, the president of Kazakhstan's state-owned uranium enterprise, JSC National Atomic Company Kazatomprom.

"Mr. Giustra said to our president that everything was going smooth with Kazatomprom and everything was OK," says Dzhakishev, one of the principal negotiators, who didn't attend the dinner. "The president said, 'OK, keep working.' That's basically all that was devoted to Kazatomprom during that meeting."

College Roommate

Each leader came away from the dinner with something. Clinton collected a \$500,000 pledge from Kazakhstan's president to assist Hurricane Katrina victims. Nazarbayev issued a press release claiming support from Clinton for Kazakhstan's bid to chair the 56-state Organization for Security and Cooperation in Europe, based in Vienna. Kazakhstan was awarded the chair last November.

Clinton and Giustra were in China three days later when negotiations concluded on the uranium deposits, according to an October 2005 Canadian securities filing that outlines the deal.

The titular seller of two of the three properties was Mukhtar Ablyazov, 44, Kazakhstan's energy minister in the late 1990s. He received \$350 million through holding companies he controlled in Cyprus and the British Virgin Islands, according to the filing. The government retained a 30 percent stake in the properties.

Dzhakishev says Ablyazov, a college roommate of his in the 1980s, had obtained title to the uranium deposits from the government in early 2005, assuming \$1.7 million in debt.

'No Involvement'

Ablyazov, who had become a political opposition leader, was imprisoned on corruption charges in 2002 and was pardoned by Nazarbayev the following year. He is now chairman of Kazakhstan's second-largest bank, JSC Bank TuranAlem. He declined to discuss the uranium transaction.

Dzhakishev, who keeps Clinton's photograph next to his desk, said Nazarbayev ultimately had to approve the government's sale of the uranium interests to Giustra.

Keep, when asked whether Clinton's presence was helpful to Giustra in any aspect of the mining deal, says: "I'm sure it didn't hurt Frank's credibility to be seen with him." Keep said the banker's lawyers established that Ablyazov had legal rights to the uranium deposits he was selling.

"President Clinton had no involvement in Frank Giustra's business dealings in Kazakhstan," Clinton spokesman McKenna says. "He did not speak with anyone on behalf of Mr. Giustra's ongoing business deal. He also took no action in support of it."

Giustra said in a statement that he traveled with Clinton from Kazakhstan through Asia to evaluate the foundation's AIDS work. Clinton "did not play a role" in the uranium purchase, he said.

UrAsia Energy

Raymond Baker, director of the Global Financial Integrity program at the Center for International Policy in Washington, says Clinton should have been more careful about the trip.

"A president who wanted to assure that his good name is deserved would steer clear of accepting an airplane ride to Kazakhstan, or being involved even peripherally in this business deal," Baker says. "Kazakhstan has a track record of such enormous corruption, particularly in natural resource transactions, that one should be extremely cautious in getting involved."

That November, after the uranium deal almost unraveled because of a change in Kazakhstan's minerals law, Giustra flew back to Kazakhstan for another meeting with Nazarbayev to get it on track, Keep says.

The minerals transfer gave birth to UrAsia Energy Ltd., a Toronto Stock Exchange-listed company created by Giustra's Endeavour just before the surge in uranium's price to today's \$84 a pound from \$30 in September 2005.

Visit to Clinton

In February 2007, Endeavour sold UrAsia for \$1.8 billion to Uranium One Inc. of Johannesburg, South Africa, now the industry's second-largest company by capitalization after Saskatoon, Saskatchewan-based Cameco Corp.

The same month, Dzhakishev said Giustra arranged for him to visit Clinton at his home near

New York to discuss the future of nuclear power.

Giustra's UrAsia stock was worth about C\$50 million shortly before the merger closed. The value of the stock since has dropped by half. He is no longer listed as a major shareholder.

Clinton and Giustra continue to work together on their entrepreneurial approach to charity.

On March 1, they are co-hosting a charitable dinner in Toronto where mining executives are paying up to \$350,000 a table to see such artists as Elton John, Shakira, John Travolta and Robin Williams. The most expensive tables already are sold out.

Photo, Don MacKinnon: Frank Giustra, president and chief executive officer of Fiore Financial Corp., speaks at the Vancouver Board of Trade's Pacific Economic Forum in Vancouver, British Columbia, Canada, on November 1, 2007.

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