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Glencore

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Serious Fraud Office investigates Glencore over suspected bribery

The £30bn company, which is the world's largest commodity trader, says it will cooperate

Julia Kollewe and Simon Goodley

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The UK's **Serious Fraud Office** has launched an investigation into suspicions of bribery at mining and commodity trading group Glencore.

The SFO said "it is investigating suspicions of bribery in the conduct of business by the **Glencore** group of companies, its officials, employees, agents and associated persons".

In a statement, the £30bn company added: "Glencore has been notified today that the Serious Fraud Office has opened an investigation into suspicions of bribery in the conduct of business of the Glencore group."

Glencore, which is listed on the London stock exchange but has its headquarters in Baar, **Switzerland**, said it would cooperate with the investigation.

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Its share price fell by 9% on the news to close at 216.9p, a three-year low. The company is the world's biggest commodity trader, buying and selling everything from oil to cotton, wheat and sugar. It operates in more than 50 countries and also has a significant mining operation for gold, silver, platinum, nickel, iron and aluminium.

The announcement of the SFO probe is the latest setback for Glencore, which is already being **investigated by the US Department of Justice** for alleged money laundering and corruption in Nigeria, Venezuela and the Democratic Republic of Congo (DRC), Africa's biggest copper producer, dating back to 2007.

The announcement of a UK enquiry had been widely expected in mining circles, following a Bloomberg report in May that stated that **the SFO was preparing to open a formal bribery investigation** into Glencore and its work with Israeli billionaire Dan Gertler and the leader of DRC.

Gertler's notoriety in the DRC, which is rich in resources but riven by conflict, spans nearly two decades. He is reported to have made billions from being the unofficial

gatekeeper to natural resources deals in the central African country. His friendship with the nation's former president Joseph Kabil - who was head of state from 2001 until earlier this year - has long been a source of controversy.

Gertler was cited by a 2001 UN investigation that said he had given Kabil \$20m to buy weapons to equip his army against rebel groups in exchange for a monopoly on the country's diamonds.

The Israeli was also named in a 2013 Africa Progress Panel report that said a string of mining deals struck by companies linked to him had deprived the country of more than \$1.3bn in potential revenue.

In 2017, leaked documents that formed part of the Panama Papers investigation showed how Glencore had secretly loaned tens of millions of dollars to Gertler after it enlisted him to secure a controversial mining agreement in the DRC.

The tycoon has repeatedly stated that all allegations of illegal behaviour are "false and without any basis whatsoever", that he "rejects them absolutely", and that he transacts business "fairly and honestly, and strictly according to the law".

Glencore has also developed a controversial reputation of its own.

The company was founded in 1974 by the commodities trader and financier Marc Rich, who in 1983 was indicted on charges described by the then US attorney for New York, Rudolph Giuliani, as "the biggest tax evasion case in United States history".

He was also charged with buying millions of barrels of oil from Iran during the 1979-81 hostage crisis, flouting a ban on "trading with the enemy". He fled to Switzerland and remained on the FBI's most-wanted list until he was controversially pardoned by Bill Clinton in the final hours of his presidency in 2001.

By then, Rich had long lost control of the company following a management buyout in 1993.

Under its billionaire chief executive, Ivan Glasenberg, the company grew to become the world's biggest commodity trader, supplying the raw materials used in products from cars to smartphones.

When it floated on the London stock exchange in May 2011 it was valued at £38bn but the shares, which were then priced at 530p each, have never been worth as much since.

Many of Glencore's executives have left in the past year. This week, Glasenberg hinted that he could leave the company soon.

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