

What We Know About Hunter Biden's Business in China

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WASHINGTON — President Trump's latest broadside against former Vice President Joseph R. Biden Jr. and his son Hunter appears to center on a joint venture that involved the younger Mr. Biden and some of China's leading state-owned financial companies.

But the president's claims bear little if any relation to the known facts.

Without presenting any evidence, Mr. Trump suggested on Thursday that China showered \$1.5 billion on Hunter Biden in order to influence his father and win favorable trade deals with the United States.

"That's probably why China for so many years has had a sweetheart deal where China rips off the U.S.A." because they deal with people like "Biden where they give the son a billion and a half dollars," Mr. Trump told reporters on the South Lawn of the White House. He added: "You know what they call that? They call that a payoff."

Companies associated with Hunter Biden or his business partners have struck several deals involving China over the past decade. So, in fact, have Mr. Trump's own relatives — a point that Mr. Trump does not mention in his now almost-daily accusations against the former vice president, a leading Democratic presidential candidate, and his son.

But while the extent of Hunter Biden's business dealings with China is not entirely clear, no evidence has emerged of how much money the younger Mr. Biden may have earned. In fact, his lawyer says he has earned nothing from the venture that the president is apparently citing. Nor is there any evidence that his father traded favors with the Chinese government to help his son.

Mr. Trump's latest attacks follow weeks in which he has accused Hunter Biden of improperly profiting in Ukraine from his father's position. The younger Mr. Biden collected roughly \$50,000 a month for serving on the board of a Ukrainian energy firm at a time when his father was helping to shape the Obama administration's foreign policy toward Ukraine.

Mr. Trump's efforts this past summer to pressure Volodymyr Zelensky, the new Ukrainian president, to investigate Mr. Biden and his son — at the same time that Mr. Trump was withholding \$391 million in American military aid to Ukraine — set off the fast-moving impeachment inquiry now underway in the House of Representatives.

The president's attacks also come after a string of controversies involving members of Mr. Trump's extended family and China, most of them unfolding after he was elected. A company run by his daughter Ivanka has been awarded dozens of potentially valuable trademarks by the Chinese government. A real estate company owned by the family of Jared Kushner, Mr. Trump's son-in-law and senior adviser, tried to sell its troubled investment in a Manhattan skyscraper to a prominent Chinese firm. And Nicole Meyer, Mr. Kushner's sister and an executive in the family firm, invoked her connections to the president when she pitched Chinese investors in Beijing to buy into a development in New Jersey.

The \$1.5 billion figure to which Mr. Trump referred on Thursday appears to be the amount of money that a Shanghai-based private-equity company, BHR Equity Investment Fund Management Co., aimed to raise in 2014. The company, which says its biggest shareholder is the state-controlled Bank of China, pools money and invests in companies, many of which are also state owned.

Hunter Biden has been a member of the board of BHR since it was formed in late 2013. In October 2017, after his father had left the vice presidency, he bought 10 percent of the firm, investing the equivalent of \$420,000.

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But his lawyer, George Mesires, said on Thursday that he has never been paid for his role on the board, and has not profited financially since he began as a part-owner.

"He has not been compensated for being on the board of directors, nor has he received any return on his investment to date," Mr. Mesires said. Although BHR has been involved in a number of business deals, he said, "there have been no distributions to the shareholders since Hunter has been an equity owner."

With his latest attacks on the Bidens, Mr. Trump is "desperately clutching for conspiracy theories that have been debunked and dismissed by independent, credible news organizations," Kate Bedingfield, Mr. Biden's deputy campaign manager, said in a statement.

Still, the fact that Chinese state-owned firms were interested in linking arms with Hunter Biden while his father was vice president fits a long pattern of companies owned by or closely tied to foreign governments courting the families of high-ranking American officials. In 2002, for example, when George W. Bush was president, his brother Neil won a \$400,000 consulting contract to advise a Chinese semiconductor company co-founded by the son of the man who was then China's president.

"Almost any senior name that I start researching, I run into practices like this. It is extraordinarily widespread," Sarah Chayes, the author of the book "Thieves of State: Why Corruption Threatens Global Security," said in an interview on National Public Radio on Thursday. "How did we all convince ourselves that this isn't corrupt?"

Asked if there was any conflict of interest, Mr. Mesires, said: "Hunter has been repeatedly clear on this point. Hunter has not and does not discuss his business interests with his father."

A spokesman for the Biden campaign also said that the former vice president never discussed the China venture with his son.

The only known connection between the elder Mr. Biden and BHR came in early December 2013 in Beijing. Mr. Biden, who had traveled to China on official business as vice president, met and shook hands with his son's business associate, Jonathan Li, in the lobby of the hotel where the American delegation was staying, according to an account in The New Yorker. The magazine said Hunter Biden had arranged the encounter with Mr. Li, who was headed for a post as BHR's chief executive.

Hunter Biden went along to Beijing, too, because his young daughter had been invited and needed to be chaperoned, according to Mr. Mesires. He said that his client and Mr. Li met for coffee on the trip but that it was only a social chat. "He conducted no business there," the lawyer said.

Several days after the trip, BHR won a business license from the Chinese government. Mr. Mesires said that the registration paperwork had already been submitted and that the timing of the approval was purely coincidental. Hunter Biden was not involved in the firm's registration, and its approval "was not related in any way, shape or form to Hunter's visit," he said.

To raise funds, BHR teamed up with some of China's leading state-owned financial companies, including its biggest indirect shareholder, Bank of China, as well as China Development Bank and the country's social security fund, according BHR's website. The Wall Street Journal reported in 2014 that the firm was seeking to raise \$1.5 billion.

That figure was then cited by Peter Schweizer, a conservative author, in a 2018 book detailing the China business ties of some prominent American political families. Mr. Schweizer was also the author of the 2015 book "Clinton Cash."

Until October 2017, well after his father had stepped down from the vice presidency, Hunter Biden had no equity stake in BHR, Mr. Mesires said. He said Mr. Biden bought a stake in the firm in the name of a company named Skaneateles L.L.C. for the equivalent of about \$420,000. That gave him about 10 percent of the company's registered capital of 30 million renminbi, China's currency. Skaneateles is the New York hometown of Hunter Biden's mother, who died in 1972.

BHR has invested in a number of state-owned Chinese companies, including a subsidiary of the oil refiner Sinopec and China General Nuclear Power Group. The business focus of some of them is at odds with American policy.

For example, the company invested in Face++, a division of the Chinese company Megvii, which specializes in facial recognition technology that is promoted for use by China's police, according to a report by Human Rights Watch. BHR also invested alongside AVIC, a major state-owned aerospace and defense company that builds fighter jets for the Chinese military.