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In Chinese Province, Bling From Bribes Goes Up for Bid

**Corrupt Officials' Graft
Included Rolexes, Minks;
Auction's Mixed Message**

By **GORDON FAIRCLOUGH**

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HEFEI, China -- The Guo An auction company here in Anhui, one of China's poorest provinces, usually serves as a liquidator of business assets, retired government vehicles or goods seized by customs agents.

But last week, more exotic fare was on the block: deluxe graft.



Qiao Liuyi

Among the lots up for sale were Rolex and Omega watches, a woman's black mink coat, a Sony video camera and a heap of gold jewelry with a minimum bid of \$43,000 -- more than 100 times the average annual income of rural residents here.

The goods were illegal gifts to a group of senior officials in the province, which were confiscated by prosecutors. The officials were convicted of taking bribes totaling nearly \$1 million from various business owners and favor-seekers. They were also found to have more than \$2 million in property whose origins they couldn't explain.

Such auctions are becoming increasingly common as China's Communist Party, in the midst of a corruption crackdown, deals with an awkward problem: what to do with so much ill-gotten stuff.

An editorial by Xinhua, China's government-run news agency, proclaimed that the Anhui auction would "have a strong deterrent force on ill-behaved officials and boost the anticorruption faith and determination of Communist Party members and government officials."

Others aren't so sure. Newspaper opinion writers and bloggers complained that selling such spoils only helped to reinforce an aura of fame around the lawbreakers, and offered a crass example of the relative opulence of officials' lives.

In Anhui, a primarily agricultural province in eastern China, the contrast is especially stark. The main crops are rice, wheat and corn. In rural areas, residents have an average income of just \$380, and fewer than one in four households has a refrigerator. In 2005, the government estimated that 1.3 million of the

province's citizens were subsisting on 22 cents a day. Last year, more than 10 million people left their homes to look for work elsewhere.

Nearly 6,000 curiosity-seekers attended a January pre-auction viewing of the convicted officials' belongings in Hefei, the provincial capital. The first phase of the sale drew bidders for a nine-hour selling spree of more than 600 items, ranging from a gold image of the Buddha to fancy home appliances. More than 300 people crowded into the auditorium of the public library in Hefei for the event. Last week's smaller auction attracted about two dozen bidders for leftover bits and pieces.

"I've never seen anything like it in my whole career," says veteran auctioneer Liu Pengnan. "All this stuff belonged to corrupt officials. They are notorious. They are celebrities. It's like auctioning a pen that once belonged to Hitler. You get many bidders."

At the first auction, Qiao Liuyi, who runs a cellphone shop in a busy downtown market, paid just about \$100 for a colorful scroll decorated with Chinese seals and inscribed with the name of Xiao Zuoxin, a former mayor convicted of accepting bribes.

"We don't care whether he is a good guy or a bad guy. He's famous," Mr. Qiao says. "So it's certain the price will go up."

He's already given away one of the items he bought -- a black leather sports jacket for which he paid about \$125 and later presented as a gift to a prospective business partner. He also bought a Sony Ericsson cellphone that once belonged to a famously corrupt deputy governor who has since been executed. Mr. Qiao says that when he got the phone, it still contained text messages. He says he deleted them and declined to discuss the contents.

"This stuff was used to bribe officials, so it has to be good," says Mr. Qiao.

After spirited bidding, a fan made from elephant tusks sold for nearly \$1,000. A bottle of vintage Chinese rice wine went for about \$2,300. Other items up for sale included a necklace of gold flower blossoms, a man's gold signet ring inscribed with the Chinese character for "luck," and a solid gold statuette of a pig, sitting upright with its front hooves pressed together.

Most buyers were local, urban businesspeople. But many bidders also flew in from elsewhere in China in search of deals. So far, the sales have brought in more than \$100,000, which will go back into the provincial government treasury.

Last year in China, more than 800 senior officials have been convicted of embezzlement, bribery and dereliction of duty, according to court statistics. Top cadres view widespread corruption -- affecting everything from property ownership to drug approvals -- as one of the most serious threats to the Communist Party's legitimacy and its hold on power.

Investigators recently have been focused on the theft and misuse of government social-security funds, totaling in the billions of dollars. The former head of the central government's drug watchdog agency, the State Food and Drug Administration, is also being investigated for corruption.

The biggest catch so far in the government's renewed crackdown: the former Communist Party Secretary of Shanghai, Chen Liangyu. He was implicated, along with dozens of others, in one of mainland China's richest cities.

"We must acknowledge that as the market economy has developed, the phenomenon of corruption has occurred continuously, becoming more and more serious and even involving a lot of senior officials," said Premier Wen Jiabao at a news conference marking the end of China's annual legislative session last week.

Prosecutors say many of those who gave bribes to Anhui officials were property developers who gained access to cheap real estate for construction and weren't assessed taxes and government fees. In one case, prosecutors say, a businessman paid off an official in order to win the advertising business of a local government-owned cigarette company. Some key bribe-givers were also sentenced to jail.

Xiong Jun, a 40-year-old grocery merchant, flew more than two hours from his home in the southwestern city of Chongqing to bid on goods. He ended up spending more than \$3,800, walking away with four gold necklaces, a few jeweled rings and a gold ingot imported from Hong Kong.

Sales of the officials' treasures are becoming something of a hobby for Mr. Xiong, who made his first graft-related purchase -- a Rolex that he bought for about \$2,500 -- a few years ago at an auction of illegal gifts seized from the deputy mayor of the northeastern city of Shenyang. Now, Mr. Xiong says, he regularly searches newspapers for auction announcements.

"These auctions provide good opportunities for collectors to shop for good things," says Mr. Xiong. "We don't care who owned them before."

--Ellen Zhu contributed to this article.

Write to Gordon Fairclough at gordon.fairclough@wsj.com¹

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