



July 20, 2021

James Cruse  
Acting Vice Chairman and First Vice President  
Export-Import Bank of the United States (EXIM)  
Washington, DC

Dear Mr. Cruse:

I write regarding extensive media reports of corruption investigations and legal actions being taken in connection with the EXIM-financed Kusile coal plant in South Africa.

In May 2021, Michael Lomas, a former top executive to a key Kusile contractor, Tubular Construction, was reportedly [arrested in the UK](#) on charges linked to corruption on the project and is scheduled to face an [extradition hearing](#) in December. In addition to Tubular Construction, four of South Africa's largest construction firms are also [under corruption investigation](#) by the country's Special Investigating Unit. Assets of former officials of the South African utility Eskom [have reportedly been frozen pending a Kusile project corruption trial](#).

Meanwhile, in March 2020 South African anti-corruption authorities [reportedly](#) began an investigation into Kusile contracts with Black & Veatch, which is EXIM's [listed](#) exporter and supplier in the Kusile deal. Also, this May, GE, which [participated](#) in the Engineering, Procurement and Construction (EPC) of Kusile, was reportedly under [investigation by the FBI and South African law enforcement agencies](#) over a "strategic donation" in 2016 of R30 million rand (USD 2.2 million) through Eskom to a foundation registered in the name of Deputy President David Mabuza.

U.S. links to alleged Kusile corruption are not new. In 2015, Hitachi Ltd, which was contracted to provide boilers for Kusile, [agreed to pay USD 19 million](#) to the U.S. Securities and Exchange Commission in response to charges that the company violated the Foreign Corrupt Practices Act related to contracts to build the two multi-billion dollar power plants.

EXIM maintains [published](#) commitments to procedures for the prevention, detection and prosecution of fraud and corruption. In addition, a [survey](#) undertaken by the OECD Working Party on Export Credits and Credit Guarantees asks respondents including EXIM to represent their past experience with alleged corruption after the approval of official support. EXIM's response asserts that the agency notified law enforcement authorities, sought recourse for disbursed loan amounts, and for claims that had already been paid when the agency had "reason to believe that bribery may be involved in the transaction (e.g., press reports from a reputable source)". Therefore, EXIM surely was and continues to be aware of reported allegations, investigations, arrests, etc. with regards to Kusile.



Given the growing number of reputable press reports of alleged corruption, investigations and legal actions linked to Kusile by UK, US, and South African law enforcement authorities, and any other information you may have, what actions have you or will you take? We appreciate your help in providing this information.

Sincerely,

Kate DeAngelis  
International Finance Program Manager  
Friends of the Earth

CC: Jennifer Fain, Acting EXIM Inspector General  
Sherrod Brown, Chairman, Senate Banking Committee  
Patrick Toomey, Ranking Member, Senate Banking Committee  
Maxine Waters, Chairwoman, House Financial Services Committee  
Patrick McHenry, Ranking Member, House Financial Services Committee  
Spencer Bachus, Member of the Board of Directors, EXIM  
Judith Pryor, Member of the Board of Directors, EXIM