


Clinton-backed branch of foundation donor GM now caught in major Dark Money scandal

By Fred Lucas_

 October 23, 2011: U.S. Secretary of State Hillary Clinton gets out of a GM "Spark" while touring the GM Powertrain plant in Tashkent, Uzbekistan.

October 23, 2011: U.S. Secretary of State Hillary Clinton gets out of a GM "Spark" while touring the GM Powertrain plant in Tashkent, Uzbekistan. (Reuters)

Hillary Clinton had glowing words for the General Motors plant in Tashkent, Uzbekistan, when she traveled there in 2011 as secretary of state to announce the joint venture -- of GM and an Uzbekistan state-owned firm -- as a finalist for a State Department award.

"It is a collaboration between Uzbek and American companies, and it will serve as a symbol of our friendship and cooperation," Clinton [said](#), touting the plant's "newest, most advanced technology."

The visit came a year after the General Motors Foundation had contributed \$684,455 in vehicles to the Clinton Foundation.

Fast-forward several years, and GM-Uzbekistan is now embroiled in a massive scandal, reportedly facing charges of [fraud, money laundering, and embezzlement](#), a legal case that has reached high-ranking government officials in the country.

Clinton isn't tied to any of the allegations. But it's another example of how Clinton Foundation donations and subsequent State Department actions have put the Democratic presidential nominee in an awkward position. The 2011 praise wasn't a one-off, either. Clinton's State Department again made GM Uzbekistan a finalist for the Award for Corporate Excellence in [2012](#).

Peter Flaherty, president of the watchdog National Legal and Policy Center, said the GM branch's recent turmoil casts doubt on Clinton's judgment.

"This episode is another example for the Clintons of how, if you do business with them, they will do something for you," Flaherty told FoxNews.com. "Any enterprise in Uzbekistan is going to be suspect. It is notoriously corrupt, and the government dominates everything. A company there seems like an unlikely nominee for a corporate excellence award."

Earlier this year, authorities detained GM Uzbekistan General Director Tohirjon Jalilov. Uzbek prosecutors also have [reportedly](#) been investigating the GM venture's business partners and officials with Uzbekistan's National Security Service. Uzbek Deputy Prime Minister Ulughbek Rozikulov was reportedly questioned in the matter.

Asked for comment, Clinton campaign spokesman Josh Schwerin noted the U.S. government had honored GM well before Clinton

served as secretary of state -- referencing that in 2006, GM's joint venture in Colombia actually [won](#) the award. It was merely a finalist under Clinton.

"While GM did receive the Secretary of State's 2006 Award for Corporate Excellence from the Bush administration, it did not receive the award while Secretary Clinton was in office," Schwerin told FoxNews.com. "Further, it appears that the legal issues you refer to began several years after Clinton left office. The fact remains that Hillary Clinton never took action as secretary of state because of donations to the Clinton Foundation."

GM owns 25 percent of the company established in 2008, while UzAvto, an Uzbek firm, controls 75 percent.

"We are aware that one of the suspects arrested was an Uzbek national who worked at the joint venture company and also UzAvto, and he has been dismissed by the joint venture," GM spokesman Patrick Morrissey told FoxNews.com. "We can't comment on any other law enforcement actions."

Morrissey also said that U.S. auto bailout money GM received "was not directed toward its international operation." He said no U.S. government financial support of any kind was provided to GM Uzbekistan.

Uzbekistan President Islam Karimov -- whose 27-year reign earned him the reputation of a [ruthless tyrant](#) -- reportedly uncovered the alleged misconduct this spring regarding an elaborate [export-import scheme](#) for vehicles that were supposed to be sold in Russia but were instead allegedly shipped back to Uzbekistan and sold at higher prices to maximize profits for

executives. Karimov, who died in September, is most remembered for having his troops kill 700 unarmed protestors in 2005, and running a centralized economy.

The global watchdog group [Transparency International](#) ranked Uzbekistan 153 on its corruption index, with a transparency score of just 19.

So, there are reasons to doubt the legitimacy of the prosecution, said Flaherty.

“Everything in Uzbekistan is political, so I wouldn’t put a lot of faith in the criminal justice system,” Flaherty said. “But it seems like the Clintons still are not very discerning about who they associate with.”

General Motors Corporation has contributed between \$50,000 and \$100,000 to the Clinton Foundation. Also, in February 2010, the General Motors Foundation announced a donation of [30 pickup trucks](#) to the Clinton Foundation, which GM’s Morrissey said were valued at \$684,455, to be used in relief efforts in Haiti. Hillary Clinton delivered the remarks at the GM Uzbekistan plant the following year, and the company was a finalist for the State Department honor in back-to-back years.

In a statement to FoxNews.com, the Clinton Foundation noted most of the other GM donations to the foundation went for the Clinton Global Initiative.

“GM was a member of the Clinton Global Initiative for several years, and their financial contributions to the Foundation are totally comprised of CGI membership fees,” the statement said. “In this time, they partnered on a wide range of commitments,

from initiatives to expand clean energy in their automobile lines, to a training program for NGO leaders, to an effort to promote HIV/AIDS awareness and prevention in China.”