

INTERNATIONAL UNION of OPERATING ENGINEERS LOCAL 501

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August 3, 2022

Governor Steve Sisolak
State Capitol Building
101 N. Carson Street
Carson City, NV 89701

Re: Genting Group ties to Chinese Communist state enterprise

Dear Governor Sisolak,

I am writing on behalf of the International Union of Operating Engineers, Local 501, to raise concerns over the gambling operator in our jurisdiction, Resorts World Las Vegas LLC, and its ownership based in Kuala Lumpur, Malaysia, Genting Group.

As you may know, the National Labor Relations Board (NLRB) recently filed a complaint against Resorts World Las Vegas over the company's numerous federal labor law violations committed during an anti-union campaign. The company's egregious conduct in its labor relations has prompted Local 501 to perform a comprehensive review of Resorts World Las Vegas's operations along with the operations of its parent company, the Malaysia-based Genting Group.

Our initial review, based exclusively on open source and public records, has turned up alarming findings. We are concerned that the findings, detailed below, were not adequately considered during Resorts World/Genting Group's licensing investigation by the Nevada Gaming Control Board and Nevada Gaming Commission.

Specifically, we believe that Nevada should initiate a new review into the business relationships between Genting Group and Chinese Communist state-owned enterprises (SOEs). Genting Group has unique relationships with Chinese SOEs that appear to be unprecedented among Nevada gaming licensees. This level of political and economic exposure can adversely influence the operations of Genting, its subsidiaries, and its ownership group. Moreover, ties to Chinese state enterprises may cause reputational harm to the State of Nevada and its gaming industry. We believe the best course of action for the State of Nevada is Genting Group's full divestiture of its joint venture interests with all Chinese SOEs.

Based on our ongoing review of Genting's ownership, in addition to its resort casino in Las Vegas, Nevada, Genting, headquartered in Kuala Lumpur, also has interest in "Resorts World"-

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branded casinos in New York, Singapore, the Philippines, Great Britain, the Bahamas and their home country of Malaysia. Additionally, the Malaysia-based firm has long operated cruise lines and has interests in palm oil plantations, power plants in China, India and southeast Asia, as well as numerous biotech ventures.

Among these expansive interests, Local 501 has discovered ties to the Chinese Communist state through Genting's oil and gas ventures. Genting Group owns a major stake in two large power plants located in Fujian Province, China, and West Java, Indonesia. Its partner in both ventures is SDIC Power Holdings, a Chinese Communist state-owned enterprise. SDIC Power Holdings is a division of the eponymous State Development and Investment Corp. Ltd. (SDIC), a state-owned investment holding company wholly controlled by the Chinese government's Assets Supervision and Administration Commission of the State Council (called the SASAC).¹ The SASAC is a ministerial-level organization tasked by China's State Council to manage the country's state-owned enterprises.²

SDIC has documented ties to North Korea.³ Additionally, the *Washington Post* recently found an SDIC portfolio firm selling advanced surveillance technology to Xinjiang's Public Security Department which is responsible for detaining over a million ethnic Uyghurs, the Muslim minority of China.⁴ SDIC's investment holdings include numerous Chinese military companies that face prohibitions in the United States.

Genting also has a second major connection to a Chinese SOE. The company is invested in the Chengdaoxi Block, an oil-producing field located in the shallow waters of Bohai Bay, China. Its partner in the venture and joint operator of the oil field is China Petroleum and Chemical Corporation, more popularly known as "Sinopec." Sinopec has extensive ties to Russian enterprises, and it continues to buy Russian oil in contradiction of ongoing Western sanctions over the invasion of Ukraine.⁵ Like SDIC, Sinopec has links to Xinjiang Province. It has selected Xinjiang for "targeted assistance" aimed at "poverty alleviation."⁶ Such "poverty alleviation" is widely known to be a euphemism for forced labor of the oppressed Uyghur ethnic minority.⁷

Genting Group's relationships with Chinese state-owned enterprises appear to be unprecedented among Nevada gaming licensees. Indeed, recent events have loudly underscored the Chinese

¹ https://www.sdic.com.cn/en/about/A0201index_1.htm

² <https://www.washingtonpost.com/national-security/2022/02/01/china-funding-drones-dji-us-regulators/>

³ <https://qz.com/1117188/chinas-biggest-state-owned-investment-group-sdic-reportedly-had-links-to-an-illicit-north-korean-ship/>

⁴ <https://www.washingtonpost.com/national-security/2022/02/01/china-funding-drones-dji-us-regulators/>

⁵ <https://asia.nikkei.com/Politics/Ukraine-war/China-s-Sinopec-to-keep-buying-Russian-oil-and-gas-exec-says>

⁶ <http://www.sinopecgroup.com/group/en/Resource/Pdf/GroupAnnualReport2020en.pdf>

⁷ https://www.hrw.org/sites/default/files/media_2021/04/china0421_web_2.pdf and

<https://www.ourcommons.ca/Content/Committee/432/FAAE/Reports/RP11164859/sdirrp04/sdirrp04-e.pdf>

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Communist government's willingness to exploit its influence over U.S. gaming licensees (Nevada, specifically) for malign foreign policy purposes.⁸

We urge Nevada regulators to take immediate steps to conduct a suitability investigation into Genting's joint ventures with Chinese Communist state enterprises, including recommendations on divestiture of these holdings, and with haste conduct public hearings on this important matter. To assist such efforts, in several forthcoming letters Local 501 will further detail the above relationships.

I respectfully request to meet with your staff at your nearest convenience to discuss this matter further.

Sincerely,

Jose Soto

Jose Soto
Director of Organizing
IUOE Local 501

JS: ca

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Robert Grozenski, Deputy Chief Investigations, Nevada Gaming Control Board
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⁸ [https://www.justice.gov/opa/pr/justice-department-sues-compel-us-businessperson-register-under-foreign-agents-registration#:~:text=Wynn%2C%20a%20U.S.%20businessperson%20and,of%20Public%20Security%20\(MPS\)](https://www.justice.gov/opa/pr/justice-department-sues-compel-us-businessperson-register-under-foreign-agents-registration#:~:text=Wynn%2C%20a%20U.S.%20businessperson%20and,of%20Public%20Security%20(MPS))