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**From:** David Stern <[REDACTED]>  
**Sent:** Sunday, August 18, 2013 10:16 AM  
**To:** Jeffrey Epstein  
**Subject:** JPM China

The U.S. Securities and Exchange Commission's anti-bribery unit is investigating whether JPMorgan Chase & Co. (JPM) hired the children of Chinese officials to help its business, The New York Times reported, citing a confidential government document.

The bank hired the son of a former Chinese banking regulator who is currently chairman of China Everbright Group Ltd., a state-controlled financial company, while its Hong Kong office employed a Chinese railway official's daughter, according to the report. After each appointment, the bank secured assignments from companies connected to the new hires' parents, according to the report.

The bank has not been accused of any wrongdoing, according to the report. The government document and public records cited by The New York Times do not indicate that the employees helped JPMorgan secure business or that they were unqualified, according to the report.

The regulator in May requested records from the bank concerning Tang Xiaoning, the son of Tang Shuangning, who since 2007 has been chairman of the China Everbright Group, according to the report. Officials also sought information on the hiring of Zhang Xixi, daughter of former railway Ministry deputy chief engineer Zhang Shuguang, the New York Times said. Both Tang and Zhang have left JPMorgan, according to the report.

JPMorgan made a reference to the inquiry in its quarterly filing, saying the SEC had asked for information about its "employment of certain former employees in Hong Kong and its business relationships with certain clients," according to the report.

"We publicly disclosed this matter in our 10-Q filing last week, and are fully cooperating with regulators," Brian Marchiony, a spokesman for JPMorgan, told Bloomberg News.

Two calls to Everbright Group's headquarters in Beijing went unanswered. Two calls to China Railway Corp., which took over operations from the disbanded Ministry of Railways in March, were unanswered.

JPMorgan, led by Chief Executive Officer Jamie Dimon, is also working to resolve U.S. and U.K. investigations after botched trades by its chief investment office caused more than \$6.2 billion of losses last year. U.S. Senate investigators concluded in March that the bank dodged regulators and misled investors about souring bets by Bruno Iksil, a trader dubbed the London Whale because his positions were so big.

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