

GSK's Mark Reilly barred from leaving China

Mark Reilly, who formerly headed up GlaxoSmithKline's China operation, has been in the country for several weeks and is under order from the authorities not to leave



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The British former chief of GlaxoSmithKline's operation in China has returned to the country to "help" police with bribery investigations but has been barred from leaving, it can be disclosed.

Mark Reilly, 47, is being kept in China by investigators while they [look into claims that the pharmaceutical giant dispensed up to £300m in bribes to doctors and hospital managers to persuade them to prescribe its drugs](#). It follows a request from the authorities that he remain in the country.

Mr Reilly left China in July, shortly before the Chinese police revealed the investigation and arrested four Chinese GSK executives. The company said he had returned at the end of July to "help the police with their investigations".

On Tuesday, GSK broke its silence on Mr Reilly's activities in China, saying that he met with Chinese authorities in the central city of Changsha several weeks ago "to provide them with information and assistance".

However, the company denied suggestions Mr Reilly was being held in a hotel room in the city. "At no point was he detained," said a company spokesman. "Mark remains in China to help further with the investigation should it be required. He is no longer in Changsha."

The revelation of Mr Reilly's return and travel ban came as George Osborne visited China on a week-long trip to improve relations. The Chancellor discussed GSK with his Chinese counterparts on Tuesday, a spokesman said.

Dozens of other GSK employees, all Chinese, are in detention, as is Peter Humphrey, a UK corporate investigator and former journalist who was arrested together with his wife.

Mr Humphrey, who founded the corporate investigation company ChinaWhys, was [paraded in handcuffs on state television with his wife Yu Yingzeng at the end of August](#).

The police said Mr Humphrey had illegally sold the personal information of Chinese citizens to his clients. "To obtain this information, I sometimes used illegal means. I want to apologise to the Chinese government," Mr Humphrey said on television.

A pharmaceutical executive suggested Mr Humphrey was hired by Mr Reilly to investigate certain GSK employees and that he had subsequently helped Mr Reilly leave the country.

"The police were really angry that Reilly left in the first place. They had put a travel ban on him. And Humphrey helped him leave," he said.

A spokesman for GSK said that back in June, Mr Reilly left China on a scheduled flight and was not under a travel ban at the time.

The investigation into GSK is so sensitive it has now been put under the direct control of Li Keqiang, the Chinese prime minister.

"I do not think they will charge Mr Reilly," the source said. "Li will not want to make such a big wave. He is supposed to be supporting the Free Trade Zone in Shanghai, for example. I think they will charge maybe eight to ten of the Chinese executives."

GSK also last month withdrew its membership of RDPAC, the trade association for foreign pharmaceutical businesses in China, which is in the process of drawing up a new code of conduct to try to satisfy Chinese regulators that no further intervention from the government is necessary.

"Everyone is nervous. The foreign heads of all the firms here in China have their boards calling them every day for an update on the situation. Everyone is trying to distance themselves from GSK," one of the executives said.

The families of the detained GSK staff have also formed themselves into a group to try to argue for leniency. The investigation into the company continues.

"We are waiting for the third wave of revelations in the state media," said one source. "After that, I expect they might move to file charges".