

Commercial Hostages in International Business Disputes

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Executive Summary: A “commercial hostage” or “debt hostage” situation involves a dispute between a foreign company and its local partner over such matters as payment, the closing of a local office or facility, the laying off of local employees, the transfer or ownership of intellectual property, etc. Rather than file a lawsuit seeking money damages or an injunction, the local partner takes extra-judicial steps to detain the foreigner against their will, so as to pressure the foreign company into resolving the dispute. The local police may even actively assist the local partner by way of inaction when the foreign company asks for help. While this activity occurs in a number of countries, this study focuses on China.

One challenge in studying commercial hostage situations is gathering enough cases to be able to gauge the factors that drive them. Stated differently, how can scholars shift the study of this important topic from the anecdotal to a data-based approach? This study is an initial attempt to do just that – it mainly attempts to gauge the frequency of recent commercial hostage activity in the P.R.C. Secondly, it sheds light on where that activity occurs, why, and the identity of its victims. To accomplish this, Freedom of Information Act requests were submitted to six Western countries (including the U.S.) with significant China trade. English and Chinese business and legal media reports were also searched for commercial hostage cases involving foreigners. Between these two sources, dozens of commercial hostage incidents were identified. The vast majority occurred in or near Tier 1 cities and/or coastal regions, a significant number involved foreign firms operating in the commodity goods space, and a disproportionate percentage involved ethnic Chinese.

Building on these findings, we conclude by providing a risk assessment matrix that foreign businesspersons can use to evaluate the risk of traveling to the P.R.C. for business. As trade tensions rise between the U.S. and China, the importance of this issue and evaluating commercial hostage risk may only increase.

Key Words and Phrases: China, Business in China, Law, Strategy, Commercial Disputes, Debt Collection, Commercial Hostage, Unlawful Detention, Debt Hostage, Freedom of Information Act, FOIA

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Commercial Hostages in International Business Disputes

“Each month we get 5 to 10 calls for help on commercial hostage cases.”

- Western Risk Management Consultant based in a Tier 1 Chinese City¹

Introduction

For many foreigners, China is a place of fascination, adventure and opportunity. For others, it may present frustration and risk. One risk for foreigners doing business in China, which seems to be underreported, is becoming a “commercial hostage” or “debt hostage.” In light of the ongoing decoupling between China and the West (Asia Society, 2019; Bermingham, 2018), the future may bring an increase in commercial hostage activity in China

Collecting a debt from a foreign individual or company is a challenge in any jurisdiction. However, for various reasons, there are examples of local companies in China bypassing the legal system in favor of extra-judicial measures to recover money they either believe is owed to them or which they simply believe they can collect (O’Neil, 1999). For example, these companies may hire questionable third parties to intimidate the foreigner into paying an alleged debt. Or, the local company might keep the foreigner in forcible detention at a nearby venue to coerce payment of the alleged debt.

For the purposes of this article and study, we define a “*commercial hostage*” or “*debt hostage*” situation as a dispute between a foreign individual or company and its Chinese partner over payment, the closing of a local office or facility, the laying off of local employees, the transfer or ownership of intellectual property, etc. As part of the dispute, the Chinese partner takes steps to detain the foreigner against their will so as to pressure the foreign company into resolving the dispute. In some situations the local police may even encourage or assist in such detentions to protect (or at least to not cross) local interests (Clarke, 2010).

Our commercial/debt hostage definition does not include “exit ban” situations - where the foreigner in a business dispute is prevented from exiting China (usually at the airport) by the government or the local Chinese partner who pursued a formal exit ban application with the local authorities. While overlap exists, they are two different scenarios with different goals. We also do not include the aggressive extra-judicial actions China’s government owned export control agency, Sinosure, engages in to collect debt allegedly owed to Chinese companies (China Law Blog 2016a; China Law Blog 2017; China Law Blog 2019).

It bears noting that one of the things that spurred the pursuit of this study is that the 30 lawyer U.S.-based law firm of one of the authors has itself been directly involved in roughly a dozen China commercial hostage situations and been contacted regarding roughly a dozen more. Prior to commencing this study the authors also informally and confidentially reached out to several

¹ Conversation between risk management consultant and one of the authors (notes on file with the authors). See also Dawson (2017).

international business attorneys, risk management and insurance firms, government officials, and journalists. These were not interviews or surveys requiring approval from university institutional review policies. The purpose was to gain a rough sense of their views (and biases) on commercial hostage activity in China. While opinions varied, there was unanimous belief among them that becoming a commercial hostage is a current risk of doing business in China. However, when we pushed for weekly, monthly or yearly estimates regarding the frequency of commercial hostage cases, their responses ranged from “Quite a few each month” to “Sorry, no comment, I can’t touch that, even off the record.” Both responses are concerning, and the latter response is understandable given that such information may be proprietary or could compromise the political capital and networks of these individuals. An extensive literature search also revealed no public data on commercial hostage activity in China, or elsewhere.

This study fills this gap by trying to gauge the frequency of commercial hostage activity against foreigners in China, including where it occurs, how it may occur, and the identity of its victims. To accomplish this, two steps were taken. First, we submitted the equivalent of Freedom of Information Act (“FOIA”) requests to the foreign ministries of six western countries whose companies do significant trade with China. We assumed that (at least some of) the victims and companies of commercial hostage situations in China coming from these countries would notify their embassy or consulate, and that those officials would record and monitor these events. Second, we conducted a search of English and Chinese business and legal media reports on commercial hostage activity involving foreigners in China.

In the next section we set the stage by discussing three actual commercial hostage situations in China. These examples help the reader understand the significant stress, expense and disruption that becoming a commercial hostage can wreak on any businessperson and their business operations. We then provide a brief summary of current Chinese law regarding the unlawful taking of a commercial hostage. The next section discusses our research methodology and approach. We then discuss the results, important takeaways from the data, best business practices moving forward, the limitations of our study, and areas for future research.

Commercial Hostages: Three Case Studies in Business Disruption.²

Example No. 1

This dispute occurred in the jewelry industry. A U.S. company allegedly owed a Qingdao manufacturer roughly \$650,000 (USD). A U.S. law firm advised the CEO to keep all of the company's employees away from China. One senior level employee ignored the warning, and confident in her business acumen and her China experience, traveled to Qingdao to try and resolve the dispute.

At the start of the meeting in Qingdao, the Chinese company took her purse and the passport in it. It advised her she could not leave until her company paid the entire amount it allegedly owed. They then took her back to her hotel – a high end American chain hotel – where she was guarded 24/7 by a rotating group of six people from the company who sat outside her door and provided her three meals a day.

She called her CEO back home for help and the CEO called the U.S. law firm. That law firm called the American hotel chain and requested that it reach out to its hotel in China to secure her release. The American hotel chain tried to secure her release but then eventually admitted that its own hotel in Qingdao had hung up on them and was no longer taking its calls.

The law firm then quickly sent one of its U.S. lawyers to Qingdao to help. This lawyer is 100% fluent in Chinese and has spent much of his life in China.

The U.S. law firm also works with a trusted Qingdao law firm. The Qingdao law firm advised the Americans to contact the police, believing the police would side with the hostage because a few months earlier a foreign hostage being held in a similar situation had died and the police and the city would want to avoid a repeat. The U.S. lawyer sent to Qingdao met with the local police, but the police called this a civil matter and urged the American lawyer to get his client to “just pay the money.”

The U.S. lawyer nonetheless went straight from the police station to the hotel and then called the police and grabbed the client and left the hotel with her, making a lot of noise to create a public scene. The police seized the lawyer and the hostage and took them both to the police station and put them in jail.

After nearly all day in jail and multiple threats by the lawyer regarding potential repercussions because so many people knew where they were, they were released and instructed by the police to go to city hall to discuss their problem with government officials there. The U.S. lawyer and his client then went to city hall where they were greeted by about 30 people from the Chinese company allegedly owed the \$650,000. The two Americans were roughed up in front of the city hall and the local police, with nobody making any effort to help them.

² Certain details in these case studies have been sanitized to protect client confidences.

The U.S. lawyer and his client were able to break free and run to a waiting car driven by a friend of the lawyer and they went to another American-based hotel, followed the whole time by some of the company people. The lawyer explained the situation to the front desk people at this hotel and they were then snuck up to a room via a service elevator so as to avoid the men guarding the elevator. The next morning the hotel helped them sneak out of the hotel and into the parking garage where they were picked up and driven to Beijing, and then to the U.S. Embassy, where the former hostage was within 12 hours given a new passport and a new visa to enter China (because you cannot leave without either of those things). The former hostage and the lawyer then flew out of China before anyone in Qingdao knew what had happened.

In total, this businesswoman was held hostage for five days. The event destroyed the relationship between the two companies and any hope for doing business together in the future. The U.S. company never paid the alleged debt and it shut down, choosing never again to do business in China.

Example No. 2

A factory-supplier (coincidentally, also in Qingdao) made a relatively simple consumer good. The U.S. buyer of this product had sent roughly \$350,000 (USD) to the factory, but had yet to receive its product and it was getting increasingly worried as the Holiday Season drew nearer. In an effort to try to figure out what was happening and to get the products for which it had paid, the U.S. buyer travelled to Qingdao to meet, investigate and discuss. Two mid-level executives from the U.S. company went to the factory for a pre-arranged meeting with the factory manager, but instead of a meeting, they were taken into a back room by a number of employees and told that they could not leave that room until they were paid.

The executives explained that they had already paid for their products, but the workers did not see things that way. They explained that the products had been made and the workers had never been paid for making the products and therefore, if the U.S. company were to ever get its products, it would need to pay the workers for having made them. The workers had not been paid for nearly six months.

The U.S. buyer desperately needed the products and the executives wanted to be released so the company negotiated a deal whereby it paid an additional \$300,000 (USD) to the workers in return for its products and the release of its two executives.

Example No. 3

Several years ago, a panicked spouse called a U.S. law firm about a massive deal gone bad in China that her U.S. citizen husband put together, as a middleman, between a large investment bank and a mid-sized Chinese company. The investment bank was looking at buying the Chinese company for roughly \$200 million (USD) (due to confidentiality the business and industry sector cannot be revealed). However, after conducting its first round of due diligence on the company, the investment bank decided it did not want to go through with the deal. The Chinese company believed the person who had tried to broker the deal had not worked hard enough at convincing the investment bank to go through with it, so they detained him and put

him up in a cheap hotel. They seized his passport and said that they would release him as soon as the deal actually closed or until they received the \$200 million. The broker's spouse contacted the law firm in month six of her husband's detention but because neither she nor her husband had the ability to come up with a million dollars, much less \$200 million, the law firm told her they did not see how they could help her and suggested she start working more closely with the U.S. Embassy to try and secure her husband's release. As of the writing of this article it is unknown what happened to the husband.

Legal Framework of Chinese Commercial-Debt Hostage Law

There is support in China - one China scholar even labels it a *social understanding* - that the detention or taking of foreigners as a hostage is acceptable when it is to pressure them into paying a debt (Clarke, 2010; Clarke, 1995). Here is his local-to-local Chinese example:

A husband and wife are unable to pay their bill at a government run hospital for the wife's baby delivery. Hospital refuses to release the baby until the parents pay their bill. Over 100 days go by. The hospital (hostage-taker) holds a press conference to justify its actions, arguing the father was not 'sincere' in his efforts to pay. The reporting newspaper (Dongguan Times) publishes the article in a tone signaling that it's not a big deal for the hospital to have done this, even placing quotation marks around the word 'hostage', as if to imply the child is not truly a hostage. Further, the most a local lawyer quoted in the article can bring himself to say to describe the hospital's behavior is that it was 'inappropriate' (Clarke, 2010; Zhao, 2010).

In terms of how the Chinese legal system developed to formally address this behavior and activity, its 1979 Criminal Law oddly did not directly prohibit kidnapping someone for ransom, but it did prohibit kidnapping someone for sale, and it made the "unlawful detention" of a person punishable by up to three years' imprisonment (Clarke, 2010). China's 1997 Criminal Law inserted a provision punishing the kidnapping of a person for ransom by up to life imprisonment (Art. 239); the taking of commercial hostages, however, is *not* considered a type of kidnapping for ransom (Clarke 2010). Instead, it is considered an "unlawful detention" (Art. 238) punishable by no more than three years' imprisonment. The specific mention of commercial or debt hostages in the 1997 Criminal Law, was an improvement and presumably done to make clear that hostage-taking is still unlawful even when the hostage-taker believes they have a good reason to justify it (Clarke, 2010).

Thus, on the one hand, the taking of a commercial hostage is unambiguously prohibited by current Chinese law; the drafters foresaw this category of behavior and explicitly made it a criminal offense. On the other hand, it appears that commercial hostage situations, both local-to-local and local-to-foreigner, continue to be socially accepted and continue to take place. The authors have also heard of (and witnessed) reports of the police doing nothing about it, or worse, actively assisting it, and we are not aware of any instance where a commercial hostage-taker has been criminally prosecuted for detaining a foreigner.

The legal and business take-away for managers is that in this area "social understandings" appear to still trump the law on the books in China. Beijing can legislate all it wants, but at the end of the day it is the local norms and behavior that count (Clarke, 2010). Social harmony at the local level is furthered, at least in part, from local companies getting paid, not from enforcing the criminal law against those participating in such unlawful detentions.

Methodology

Information Act Requests

Our assumption was that when foreigners doing business in China become a commercial hostage, they will, at least sometimes, reach out to their consulate or embassy for help, and their governments will record and monitor such events. Of course there are limitations with this assumption which we acknowledge below, but we simply sought to gain some measurement of how many such cases are reported each year into this channel, along with their background.

To do this we utilized Freedom of Information Act requests (Scoville, 2019). For the United States we submitted a FOIA request to the U.S. State Department. For the other five western governments (see **Table 1** below) we used the equivalent of their FOIA legislation and submitted a request to their equivalent of our State Department.

The countries we selected were some of the larger western trading partners, as measured by exports from China to these countries. Our reasoning was that larger trading partners are more likely to encounter business disputes that would in turn work their way into the intake complaint queues of their respective embassies or consulates in China. Additionally, we felt the below six countries would be the most likely to have information request acts on the books and that as developed countries they would be more likely to reasonably comply in a timely manner.

Table 1

Countries/Trading Partners With China Selected for this Study	Ranking (Out of the Top 20 in the World) 2018 Trade Data (Source: Workman, 2019)
<ul style="list-style-type: none"> • United States • Germany • Netherlands • United Kingdom • Australia • Canada 	<ol style="list-style-type: none"> 1. United States: USD \$479.7 billion (19.2% of total Chinese exports) 2. Hong Kong: \$303 billion (12.1%) 3. Japan: \$147.2 billion (5.9%) 4. South Korea: \$109 billion (4.4%) 5. Vietnam: \$84 billion (3.4%) 6. Germany: \$77.9 billion (3.1%) 7. India: \$76.9 billion (3.1%) 8. Netherlands: \$73.1 billion (2.9%) 9. United Kingdom: \$57 billion (2.3%) 10. Singapore: \$49.8 billion (2%) 11. Taiwan: \$48.7 billion (2%) 12. Russia: \$48 billion (1.9%) 13. Australia: \$47.5 billion (1.9%) 14. Malaysia: \$45.8 billion (1.8%) 15. Mexico: \$44.1 billion (1.8%) 16. Indonesia: \$43.2 billion 17. Thailand: \$43 billion 18. Canada: \$35.5 billion 19. Philippines: \$35.1 billion 20. Brazil \$33.7 billion

Table 2 below identifies the FOIA template we created to submit (and then tailor to) our information requests to each country. While there were similarities between countries for what was required in the request, there were also differences, including who could submit the request. For example, some countries required a citizen to submit the request (Canada), Germany required the applicant to be a citizen or EU resident, while the other countries had no such constraint or if they did it was not enforced (Australia, Netherlands, U.K., U.S.).

As a FOIA strategy, we tried to be reasonable – that is, be clear what was needed, try to address anticipated privacy and security objections in advance that might otherwise delay the processing of the request, and be candid about what would be done with the information. The agency was also provided with solutions regarding possible ways they might respond that we would accept and be convenient for them. Further, the initial request started with a wide time period knowing that the request may need to be later significantly narrowed as to time, to be accommodating to the consular and embassy staffs processing the requests. In summary, we picked our battles because in the world of access to government held information it is one thing to ask for such information and it is another thing to get it.

Table 2

Information Request Template

[The requestor] respectfully request all summaries, reports, memorandums, correspondence or similar summary documents that fall within the below country/region, time period and topics:

Country/Region: People’s Republic of China

Time Period Covered: January 1, ___ to December 31, 2017 [We began submitting these requests in mid-2018. The below language was modified as needed for each country and its requirements.]

Topics:

Commercial/Debt Hostages (also sometimes referred to as *Unlawful Detentions*) – where the Chinese party, supplier, creditor, etc. keeps [your] citizen in forcible detention (e.g., hotel, at the factory or business office, etc.) and demands, for example, the payment of an alleged debt, employees not be fired or laid off, the factory or operations not be closed, the transfer of IP, etc., as a condition for the release of the foreigner.

Explanatory Notes:

It is believed that as these commercial hostage/debt hostage/unlawful detention cases occur in China, in at least some cases [your country] officials inside China (via Embassies, Missions, or Consulates) or outside of China would be notified or brought in to monitor or assist [your] citizens and their businesses. Further, it is believed that records, statistics, reports, correspondence, etc. of some sort would in turn be created and kept regarding said cases.

[The requestor] primarily seeks the statistics re: the number/frequency of recorded [your] citizen cases that fall into the commercial hostage/debt hostage/unlawful detention category, during January 1, ___ to December, 31, 2017.

[The requestor] does not seek [your] government discussions/deliberations on these topics.

This request is for an academic study.

If your statistics and documents also identify *where* in China these events/cases occurred (as in the province or city) that would be helpful. Further, if they also identify the industry in which they occurred, that would also be helpful

Do you have such summary documents, reports, memos, etc. that contain the above-desired primary and secondary information? If not, then does such information exist in some other form? If such summary documents do not exist, a possible alternative idea for how to approach the gathering and production of this desired information and documents is the following ...

Electronic [free-text] searches could be done of your embassy and/or consular records using terms such as "unlawful detention" (or "commercial hostage" or "debt hostage" if said term is instead more commonly used than "unlawful detention"). If these suggested terms don't fit, [requestor] welcomes your feedback for what terms or language or category you instead use to describe such incidents, and the search can be conducted using those terms.

[The requestor] also appreciates that an electronic search might yield documents containing the identity of specific individuals, families or businesses. However, [requestor] does not need or seek such information or that level of detail. In other words, any privacy concern could be eliminated by simply blackening-out or redacting such personal information.

Moreover, to better accommodate your staff, if such an electronic search is undertaken, [requestor] would not need every document from such files on these people/incidents. One (1) document from said file or case that verifies that an unlawful detention/commercial hostage/debt hostage situation occurred, would suffice. Duplicative documents are not required.

Finally, if it is more convenient for your staff to create and produce your own summary or extract of the primary information (number/frequency) and secondary information (province/city and industry) requested above, that is acceptable. [The requestor] is willing to cover copy charges up to \$ ___ USD. Anything larger, please discuss in advance.

Media Searches (English and Chinese)

The business and legal press often report on events that may or may not be reported by businesses to the Chinese government, police or their own home consulates or embassies in China. To try and capture such cases and data, we conducted an English and Chinese internet search using the below databases and search terms listed in **Tables 3 and 4**. Source selection was driven by the databases we could access with our own university and law firm resources.

Table 3

English Sources	Chinese Sources
<ul style="list-style-type: none">• Google, Google News, Google Scholar• ProQuest Global Newsstream• LexisNexis• Westlaw	<ul style="list-style-type: none">• Google Search, Baidu• China National Knowledge Infrastructure (CNKI)• People’s Daily (Chinese language version)• National Taiwan University Library and database• Central News Agency (Taiwan)

With regard to expanding the search to include, for example, Hong Kong, Singapore and Taiwanese sources/databases under the reasoning that they may be more “reliable” than the above three listed PRC sources/databases, the challenge is that between our university and law firm resources we only had access to the above-noted English and Taiwanese (and PRC) sources/databases. We also note that such a concern is misplaced. The “western” Google database and ProQuest database we used covered and located Hong Kong and Taiwanese media articles, as did the National Taiwan University Library and Central News Agency databases. All four of these databases also covered Singaporean media articles, as did our Google search using traditional and simplified Chinese. However, no such Singaporean articles were located. Using the above 10+ databases, the probability of our missing a large number of additional articles about commercial hostages in China, we believe, is low.

Table 4

English Search Terms (Includes Individual Terms and Combinations Thereof). These Were Also Translated into Mandarin and Used to Search the Chinese Sources.

<p>English terms:</p> <p>debt hostage commercial hostage hostage unlawful detention commercial dispute business dispute payment dispute china foreign, foreigner western, westerner western business foreign business</p> <p>Mandarin terms:³</p> <p>債務 人質 商業 人質 人質 非法 禁錮 商業 糾紛 債務 糾紛 款項 糾紛 中國/內地/大陸 外國 外國人 西方 西方人 外國 公司/企業 西方 公司/企業</p>	<p>extortion violence kidnap armed unarmed office factory investors police</p> <p>敲詐/勒索 暴力 綁架/挾持 武裝/持械 非武裝 辦公室/公司 工廠/廠房/廠區 投資人/夥伴 公安/警察</p>	<p>australian canadian german netherlands dutch UK united kingdom british american</p> <p>澳洲/澳洲人 加拿大/加拿大人 德國/德國人 荷蘭/荷蘭人 英國/英國人 美國/美國人</p>
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³ In the identified sources/databases we used both traditional and simplified Chinese to search for articles, and found no difference in search results between the two. I.e., the same articles were located using both traditional and simplified searches. This also included a Google search using both traditional and simplified Chinese terms. By doing this, we located the responsive articles with the selected key words entered. If there was a concern, it would be whether we used “accurate” terms. For example, 禁錮 and 拘禁 both essentially mean “custody”, but which one is mostly applied in the PRC? That is unclear. In short, no database search is perfect, and we did the best we could.

Once we located responsive articles using the sources and search terms noted above, we developed and applied the below rubric in **Table 5** to tally the information in each article in a way that would allow some level of meaningful study and comparison.

Table 5
Media Search Rubric












- Article Title
- Article Link
- Publication Date
- Nationality of Impacted Foreigner
- Perpetrator(s) (If Mentioned)
- Dispute Location (If Mentioned)
- Dispute Background
- Physical Place of Detention
- Length of Detention
- Police Involved? If So, How?
- Consulate or Embassy Involved?
- Result/Resolution/Status?

Results, Findings, Takeaways

Quantity – Number of Commercial Hostages

Combining the data from our FOIA and media searches, **Table 6** below provides a breakdown of commercial hostage frequency based on nationality. While the U.S. and U.K. had the highest number of commercial hostage situations, there appears to be no pattern to becoming a commercial hostage in China. It can happen to anyone at any time.

Table 6

Nationality	Number
Australian 	1
Canadian/Taiwanese 	1
Hong Kong 	4
Indian 	2
Netherlands 	3
Russian 	1
Taiwanese 	1
UK 	1 to 4 (“<5”) hostages reported six times in four different cities over several years. Thus, the range is from 6 to 24.
USA 	11
Miscellaneous  [Source: See Appendix B - Case # 17 - “Hostage Taking Is China’s Small-Claims Court”]	This case and incident appears to have involved approximately 20 employees – all or most of them Chinese, several likely Australian-Chinese. Because the targeted business was an Australian foreign currency trading firm we include it, even though some of the victims were local Chinese employees of the foreign firm.
	Total: 50 to 68 people Per our review and check it does not appear any “double counting” occurred between the FOIA and media sources, or that any of these cases involved Sinosure. This total also does <u>not</u> include the roughly dozen China commercial hostage situations that one of the author’s law firm was involved with or the additional dozen it has been contacted about.

Is 50 to 68 incidents an alarming range or number? It would seem so. For one, it is larger than we anticipated, and remember - it does not include the U.S. State Department’s potentially large FOIA data set (see discussion in Appendix A), or the roughly dozen China commercial hostage situations that one of the author’s law firm was involved with or the additional dozen cases it has been contacted about. Also, Table 6 likely only represents a small number of the foreigner commercial hostage situations out there. This is because the vast majority of commercial hostage cases probably go unreported to embassies, consulates and the press due to the business community’s desire to stay off the radar (more on this below). Earlier it was noted that with respect to China’s commercial/debt hostage law, “social understandings” still trump the law on the books. Beijing can legislate all it wants on the detention of foreigners involved in business disputes across China and how an unlawful detention should receive up to three years in jail, but the data we gathered in connection with Table 6 suggests it is the local norms and behavior that count.

Location

We assumed that most commercial hostage situations take place in Tier 1 cities and/or coastal regions - the reason being that is where significant business is conducted, it is where most foreigners travel or are based, and it is where most of China’s population resides. Stated differently, it is where there is something worth fighting over and most potential disputants reside. **Table 7** below, a summary of where the disputes and/or detentions took place, supports this reasoning.

Table 7

Tier 1 Cities	Coastal City/Region, But Not Tier 1 City	Non-Tier 1/Non-Coastal	Other/Unable to Tell or Classify
Beijing – 2 to 6 Guangzhou – 2 to 8 Hong Kong ⁴ - 1 to 4 Shanghai – 1 Shanghai/Suzhou - 1 Shenzhen – 6 to 12	Hangzhou - 1 Huaiyin, Jiangsu – 1 Qingdao - 2 Suzhou - 1 Xiamen - 1 Yiwu – 1	Hefei, Anhui - 1 Nanning, Guangxi - 1	5
Total: 13 to 32	Total: 7	Total: 2	Total: 5

⁴ We appreciate Hong Kong is a “special administrative region” but nevertheless classify it here as a Tier 1 city.

Targets - Ethnicity

Regarding ethnicity, one view posits that ethnic Chinese are unfairly singled out when doing business in China (Shesgreen, 2019; Wong Lok-to, 2018). The FOIA searches and data did not provide a breakdown or any details on ethnicity. However, the media search results revealed that out of the roughly 40 identified commercial hostages, at least 10 were ethnic Chinese, 20 were Chinese employees of an Australian foreign currency trading firm in Shanghai, three were Caucasian, two were Indian, one was Russian, and four could not be determined from the article. Even if the 20 Chinese employee victims in the Australian case are backed out of the 40 total, ethnic Chinese still account for a significant percentage (50 percent) of the media search results (10 out of 20).

Targets – Are Certain Businesses or Industries Victimized More Than Others?

Regarding targeted firms or industries, we reasoned that foreign firms in the “lower value chain”, i.e., the commodity market/goods/space, would be victimized at a higher rate than, for example, technology firms, consulting firms, financial and insurance sector firms, NGOs, etc. This is because in our (anecdotal) experience, commodity market firms often source from China (or sell to China) and tend to consist of businesspeople on both sides of the bargaining table who are entrepreneurial and risk taking in approach, more informal in how they do business, and they are less (written) contract-document driven. While such an approach has its advantages, it can also lead to more misunderstandings, disputes and conflicts that may in turn spill over into a commercial hostage situation.

Our FOIA searches and data did not uncover any details on this question. In fact, even though we asked for industry identity, the responding countries viewed such information as an item that could potentially violate victim privacy, so they redacted such information from the documents produced. However, the media search data and results in **Table 8** below, while a very small sample size that should be viewed with caution, seemed to confirm our hypothesis. At least 12 out of 20 of the media articles located involved disputes with a connection to the commodity market/goods/space. (There was no discussion in any of these articles about how the subject businesspeople or their firms addressed commercial hostage risk.) This issue – whether different types of firms are more at risk to commercial hostage situations than others, and how different firms manage this risk – is worthy of future study and research.

Table 8

Business or Type of Industry	Number of Cases in that Sector
Bicycles	1
Footwear	1
Foreign Currency Trading Firm	1
Garment Factory/Industry	2
Health Products	1
Home Electronics Manufacturing	1
Jewelry	1
Medical Supplies	1
Motorcycle Helmets	1
Outdoor Equipment Manufacturer	1
Small Traders (Yiwu – low end commodity market)	1
(Unspecified) Consumer Goods	1
Other/Unable to Tell or Classify	7
TOTAL	20

Democratic Responsiveness

This study was an eye-opening experience with regard to transparency, openness and responsiveness as these values apply to government held records. Five of the six western governments were helpful, responsive, and professional. It was a positive experience and we could tell they took their obligations under their respective information acts seriously. In our view the sixth government (United States) has to date not been responsive (see discussion in Appendix A).

Strategy Moving Forward and Best Business Practices

When doing business in a market such as China, a variety of strategic considerations come into play. Strategic contracting is one example (Carr & Harris, 2015a, 2015b, 2015c, 2018). Given the current political tension between the U.S. and China, these findings suggest that an additional item should be added to the list - assessing the risk that one's employee could become a commercial hostage. To help companies evaluate this risk and develop a strategy to move forward, we developed the following risk assessment matrix.

Table 9
Commercial Hostage Risk Assessment Matrix

Question/Issue	Yes?	No?	Don't Know	Other
<p>1. Are you in a business dispute with someone in China? (If so, consider not travelling to China.)</p> <p>Support: Netherlands data, U.K. data, Media Search Results #s 1-20. See also China Law Blog (2013).</p>				
<p>2. If you are in a business dispute with a Chinese company, do you have people in China? (If so consider removing them from China as quickly as possible.)</p> <p>Support: Netherlands data, U.K. data, Media Search Results #s 1-20. See also China Law Blog (2016b).</p>				
<p>3. What is your presence in China, and where? (As the data suggests, a foreign company operating in a Tier 1 city or coastal area may face a more threatening commercial hostage environment than someone doing business in a Tier II or III city.)</p> <p>Support: Netherlands data, U.K. data, Media Search Results #s 2-6, 8, 11-15, 17-19.</p>				
<p>4. Is the local party you are doing business with suspect? Is the deal/transaction itself risky?</p> <p>Support: Media Search Results #s 1-20, Wagner & Wang (2011).</p>				
<p>5. What assets do you hold in China? (A foreign firm with significant assets or investments in China may be viewed as a viable commercial hostage target.)</p> <p>Support: Media Search Results #s 3, 8, 9, 11, Wagner & Wang (2011).</p>				
<p>6. Do your senior people travel to China, and how frequently?</p> <p>Support: Netherlands data, U.K. data, Media Search Results #s 3, 5-16, 18, Wagner & Wang (2011).</p>				
<p>7. Have you educated the people in your organization who travel to China about the issues discussed in this article, so they do not blindly walk into a commercial hostage situation?</p> <p>Support: Media Search Results #s 1-20, Wagner & Wang (2011).</p>				
<p>8. Is the travel to China absolutely necessary? Can video conferencing or holding meetings outside China suffice? (If you must go to China or if your employees must remain in China, consider using security, think carefully about where you or your employees go and stay, and be careful with whom you meet.)</p> <p>Support: Wagner & Wang (2011), China Law Blog (2013).</p>				

<p>9. Do you have capable and experienced in-house or outside counsel that is knowledgeable about China and Chinese litigation and courts, do they work effectively with local Chinese counsel, and can they move quickly? (Relatedly, you might also consider preemptively suing the Chinese party somewhere (preferably in U.S. Federal Court) so that you can credibly claim to the Chinese police and other authorities that you - or your employees - have been seized and held hostage <i>not</i> because of a debt owed, but out of retaliation for your having sued. If you are going to sue, carry proof of your lawsuit with you at all times while you are in China.)</p> <p>Support: Media Search Result # 18-19, China Law Blog (2016b).</p>				
<p>10. Have you paid or do you plan to pay money to the Chinese party to settle the dispute? (If yes, have a good mechanism in place (and in writing) to ensure that your payment will resolve the <i>entire</i> debt and dispute, and immediately lead to the release of any detained colleague. It is also a good idea for this agreement to be in Chinese, because that may carry more weight with Chinese authorities than an all-English document.)</p> <p>Support: Media Search Result #s 5, 7, 14-15, 19, China Law Blog (2016b), China Law Blog (2018).</p>				
<p>11. Do you have reliable eyes and ears on the ground in China to monitor the business landscape and possible oncoming commercial hostage situations? (Such local contacts can warn you or your employees of such a threat in advance.)</p> <p>Support: Media Search Result #18-20, Wagner & Wang (2011).</p>				
<p>12. If things go badly, can you count on involvement and support from your embassy or consulate in China? (However, don't hold your breath here. As a practical matter there may be little your government can or will do to assist you in these types of cases and disputes. Some governments are just better than others in helping their citizens abroad.)</p> <p>Support: Netherlands data; U.K. data, Media Search Result #s 2-3, 9, 16, 18, 20. See also U.S. Embassy & Consulates in China FAQs (“[T]he U.S. Embassy is not able to act as a legal representative or give legal advice. All legal disputes must be resolved through the Chinese legal system. We have compiled a list of attorneys who are willing to work with foreigners in China. Neither the U.S. Embassy nor the State Department endorse nor promote specific providers or services.”)</p>				

Study Limitations

The data obtained from these two sources obviously rely on the filters, resources, abilities and the biases of the government employees and journalists who collect and publish the data. The data collected was also more aggregate than granular, particularly the data produced in response to the FOIA requests. On these bases, one must be careful about conclusions drawn. Nevertheless, valuable and new data-information were still obtained.

As also touched on above, we probably did not come close to capturing the number of commercial hostage cases. For starters, we focused on only six countries. Further, in talking with various stakeholders it is clear that many businesses do not report these incidents to governments or the press. They refrain from doing so out of fear of embarrassment, the fear of causing more serious damage, a lack of trust or faith in the authorities to help them, hesitancy to further anger their local partner or the Chinese government, wanting to avoid tipping off their own home governments or stakeholders about the extent of their operations in China, etc. Our research and approach miss these hidden cases.

With respect to the information requests, we are also skeptical that we were provided all of the data and responsive documents some of these agencies and governments may have under their control. However, it is a cost-benefit analysis. Pushing them harder may have resulted in more documents and data points, but at some point the cost and delay becomes too high. We did the best we could to obtain the data, and move the results toward publication.

Conclusion and Areas for Future Research

These collective findings support the view that commercial hostage situations are a current risk in China, and they can happen to any businessperson at any time. To date, very little has been written academically regarding the wrongful detention of *foreigners* doing business in China or elsewhere, for that matter. While basic in approach, this study and the data retrieved is a start. We focused on a limited number of western countries doing business with China. There are dozens of other countries and foreign nationals that could be added to expand the study.

For example, we also considered adding India. This is because several people on-the-ground in China told us that they believed Indian businesses are being pulled into commercial hostage situations at an increasing rate. After studying India's 2005 Right to Information Act (Right to Information [India]), we were concerned that only Indian citizens can submit such a request. We were also pessimistic about receiving a complete and timely response with no contacts on the ground in India to advocate for the request when things became bogged down. Thus, India was kept out of the FOIA part of the study. However, for future researchers with local resources and contacts in India, this could prove to be an important and interesting research opportunity to pursue.

Further, as also noted in our prior discussion of Table 8, the issue of whether different types of firms or industries are more at risk to commercial hostage situations than others, and how different firms manage this risk, is worthy of additional study and research. Conducting qualitative interviews of commercial hostage victims would also likely yield helpful and interesting information (assuming of course, they can be located and are willing to be interviewed).

In closing, this study serves as the beginning of what we hope will become a commercial hostage data repository, which the collective public can build on to create even more robust data sets that connect to even more countries. The timing of the information requests in this study, coupled with the ongoing trade dispute (BBC News, 2020), and decoupling taking place between the U.S. and China (Asia Society, 2019; Bermingham, 2018), also seemed to give several government officials-agencies pause. For example, several officials informally commented on how our request made them realize they might consider updating their case management systems to better capture commercial hostage (and exit ban) data. If implemented this would improve governmental responsiveness and benefit scholars seeking additional data on this important topic impacting the business community.

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Appendix A - Information Act Requests Data

Country	Results
<p style="text-align: center;">Australia</p> 	<p>Submitted to: Department of Foreign Affairs and Trade. Legislation: Freedom of Information Act 1982. Time period covered or negotiated: January 1, 2016 to December 31, 2017. We originally asked for more than five years but reduced the time period down to two years when informed doing so would reduce the number of consular searches from 40 to 8. Time to respond and produce: Roughly 60 days. Data or pages produced: Three page letter, plus 27 pages of supporting documents. Cost/charge: \$102 USD. Result: Australia reported the terms “commercial hostage,” “debt hostage” and “unlawful detention” were not standard consular assistance categories in its data base. Further, doing a free text search of these phrases in their database also failed to identify any such cases. However, Australia, and several other countries in the study, nevertheless produced requested “exit ban” data.</p>
<p style="text-align: center;">Canada</p> 	<p>Submitted to: Global Affairs. Legislation: Access to Information Act. Time period covered or negotiated: January 1, 2017 to December 31, 2017. Time to respond and produce: Roughly nine months. Likely would have been much faster but they had staff turnover and the Huawei C.F.O. was arrested in Vancouver (see Wakabayashi & Rappeport, 2018) in the midst of Canada processing our request (“... Due to the recent pressure regarding China, the department has asked for more time to review the release package ...”). Data or pages produced: One page cover letter and DVD (containing 46 pages of documents). Many documents were heavily redacted (see above Huawei reference and concern that likely contributed to this), much more so than what other countries redacted. Cost/charge: \$40 USD. Result: Canada reported no commercial hostage cases because it said it does not track such information.</p>
<p style="text-align: center;">Germany</p> 	<p>Submitted to: Federal Foreign Office. Legislation: Federal Act Governing Access to Information held by the Federal Government. Time period covered or negotiated: January 1, 2015 to December 31, 2017. Time to respond and produce: Roughly three to four months. Data or pages produced: 2 (letter report-summary). Cost/charge: \$0. Result: “No [such cases] were reported by the German missions in China during the time period ...”</p>

Netherlands



Submitted to: Ministry of Foreign Affairs.
Legislation: Dutch Government Information Act.
Time period covered or negotiated: January 1, 2015 to December 31, 2017.
Time to respond and produce: Less than three weeks.
Data or pages produced: One page email/report.
Cost/charge: \$0.
Result: See below commercial hostage data produced.

Year	Number of people	Location	Details	Detention Length
2016-2017	3	Shenzhen	Dutch citizens physically detained and threatened to pay a company debt	1-2 days

United Kingdom




Submitted to: Foreign & Commonwealth Office (FCO).
Legislation: Freedom of Information Act 2000.
Time period covered or negotiated: January 1, 2015 to December 31, 2017.
Time to respond and produce: Roughly six weeks.
Data or pages produced: 2, two-page letters, plus 55 pages of cross-referenced documents (see below).
Cost/charge: \$0/
Result: The FCO reported ...

With regard to your request for data on ‘unlawful detention/debt hostage’ [t]he FCO does not have ‘debt hostage’ or ‘unlawful detention’ as a category in our case management system. The FCO publishes data on gov.uk each month, which includes the number of British nationals, reported to us, that have been detained or arrested overseas. These figures are broken down by Consular post and category ... You can find data at the following link:

<https://www.gov.uk/government/collections/consular-data>

Our review of the extensive cross-referenced documents posted at the above link, and further follow-up communication with the FCO was helpful. It revealed that commercial/debt hostage situations are likely captured by the “**Held Against Will**” category in their cross-referenced documents, and those documents revealed the below results. (Note that the <5 in the below Table is used to avoid the risk of identifying the individuals or businesses concerned.)

Year	Number	Location
2013		
2014	<5	Guangzhou
	<5	Shenzhen

	<table border="1"> <tr> <td>2015</td> <td><5</td> <td>Beijing</td> </tr> <tr> <td></td> <td><5</td> <td>Guangzhou</td> </tr> <tr> <td></td> <td><5</td> <td>Shenzhen</td> </tr> <tr> <td></td> <td><5</td> <td>Hong Kong</td> </tr> <tr> <td>2016</td> <td></td> <td></td> </tr> <tr> <td>2017</td> <td></td> <td></td> </tr> </table>	2015	<5	Beijing		<5	Guangzhou		<5	Shenzhen		<5	Hong Kong	2016			2017		
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<p>United States</p> 	<p>Submitted to: U.S. State Department. Legislation: Freedom of Information Act. Time period covered or negotiated: January 1, 2015 to December 31, 2017. Time to respond and product: Ongoing. Data or pages produced: To date, none. Cost/charge: Unknown. Result: This FOIA request was submitted in early May 2018. We have yet to receive meaningful information or documents. In September 2019, U.S. State notified us that its EDC (“Estimated Date of Completion”) would be September 30, 2021 – roughly a year from the date this Journal notified us of its acceptance of this article, and 3.5 years after the FOIA request was submitted. This particular FOIA request has been frustrating, in part because it is our own government that is moving slowly, all other countries have complied, and we believe the largest number of commercial hostage cases and data will come from the U.S. The September 2021 EDC date only promises a U.S. State Department response by that date, it does not guarantee that State will actually cooperate and produce responsive documents. I.e., if a meet and confer process is required, things could drag out for some time. This left us with a difficult choice ... completely delay the submission of this article for publication until that plays out, thereby potentially rendering “stale” the other data obtained thus far, or, move forward with the data accumulated data to date and then once/if U.S. State complies write and submit for publication a supplementary article (or one that only addresses the U.S. data). This was a cost-benefit analysis, and we chose the former option (move and publish what we have, now, while is it still relatively fresh) rather than wait. Further, given the tense state of U.S. – China relations as of the date of this writing, obtaining data from State relating to anything about China may only become more difficult, not less.</p>																		

Appendix B - Media Search Results (English and Chinese) Data

We located a number of responsive articles linking to our definition of “commercial hostage” or “debt hostage” situations. The time period of these articles covers 1994 to 2017. Three of the articles reported multiple commercial hostage cases. Using the developed rubric noted above (see Table 5), the below summarizes each article.

	Case #1	Case #2
Article Title	China, We Have A Problem. A Mostly True Story	India hyping Yiwu incident, advisory not needed (China Daily)
Article Link	https://www.chinalawblog.com/2009/05/china_we_hav_e_a_problem_a_most.html	https://www.rediff.com/news/report/india-hyping-yiwu-incident-advisory-not-needed-china-daily/20120106.htm
Publication Date	May 23, 2009	January 6, 2012
Nationality of Impacted Foreigner	U.S.A.	India
Perpetrator(s) (If Mentioned)	The Chinese parents of the injured child	Chinese partners
Dispute Location (If Mentioned)	China	Yiwu, Zhejiang
Dispute Background	Young Chinese child fell from a window in a room in which an American employee was one of the few adults in the room. The parent(s) of the injured child requested that the American employee and his American employer pay money for the injuries that their child sustained. Case included in data set because events surrounding incident appeared to be work related.	Two (2) Indians were small commodity traders and employees of a company headed by a Yemanese businessman who fled China without paying the amount/debt allegedly owed to Chinese traders. The two Indians were held hostage by their Chinese partners for three weeks in Yiwu.
Physical Place of Detention	Not mentioned	Not mentioned
Length of Detention	Not mentioned	Three weeks
Police Involved? If So, How?	No	
Consulate or Embassy Involved?		Yes
Result/Resolution /Status?	The American employee left China after the event to avoid kidnapping. Eventually he agreed to pay the parents something toward the medical bills.	The two Indian businessmen were rescued from detention and recuperated in Shanghai under the care of the Indian Consulate.

	Case #3	Case #4
Article Title	Workers hold U.S. executive hostage at Beijing plant	PSB holds father over son's debt HK man hostage in China [article accessed via internal Cal Poly ProQuest data base]
Article Link	https://www.usatoday.com/story/news/2013/06/25/american-executive-ceo-hostage-beijing-plant/2455183/	https://search-proquest-com.ezproxy.lib.calpoly.edu/globalnews/docview/1523888707/7477D998C7AF4A3FPQ/1?accountid=10362
Publication Date	June 25, 2013	November 22, 1994
Nationality of Impacted Foreigner	U.S.A. Chip Starnes, co-owner and president of Specialty Medical Supplies	Hong Kong. Mr. O
Perpetrator(s) (If Mentioned)	The Chinese workers of the U.S. businessman's medical supply plant	Public Security Bureau (PSB)
Dispute Location (If Mentioned)	Beijing	Huaiyin, Jiangsu
Dispute Background	The U.S. businessman shut down the medical supply plant's plastic division which was moved to Mumbai, India. 30 workers from the division were laid off and received a compensation package. Another roughly 100 workers thought that they were wrongly laid off so they demanded similar compensation packages.	The hostage's son allegedly owed money to a company in Huaiyin City.
Physical Place of Detention	Inside the plant	Detained by the company in Huaiyin
Length of Detention	At least 5 days	Over 3 months
Police Involved? If So, How?	Yes, four uniformed local police officers were at the scene to "maintain order".	Yes. Mr. O was held detained by the Public Security Bureau (PSB); article suggests it was strongly at the initial urging of the Chinese partner.
Consulate or Embassy Involved?	Yes	Yes
Result/Resolution /Status?	Eventually, the U.S. Embassy got involved. The U.S. businessman then had access to his attorneys and as of the date of the published article they were on the verge of an agreement with the workers.	The case was handed over by the PSB to the local procuratorate for a decision on whether to bring a formal charge.

	Case #5	Case #6
Article Title	PSB holds father over son's debt HK man hostage in China [article accessed via Cal Poly internal ProQuest data base]	Chinese Are Taking "Commercial Hostages" Business Disputes Lead to Arrests
Article Link	https://search-proquest-com.ezproxy.lib.calpoly.edu/globalnews/docview/1523888707/7477D998C7AF4A3FPQ/1?accountid=10362	https://www.chicagotribune.com/news/ct-xpm-1995-03-27-9503270121-story.html
Publication Date	November 22, 1994	March 27, 1995
Nationality of Impacted Foreigner	Hong Kong. Mr. A	Australian. James Peng, an entrepreneur
Perpetrator(s) (If Mentioned)	Public Security Bureau (PSB)	Shenzhen locals
Dispute Location (If Mentioned)	Hangzhou	Shenzhen
Dispute Background	Mr. A was asked to pay one million CNY to secure his release by the PSB in Hangzhou. He was detained in July 1991 after goods on his lorry were stolen. We don't have enough information in the article to infer whether Mr. A was involved in the theft. Based on the article, we only know this was connected to a commercial activity.	Peng was kidnapped by Shenzhen locals in Macau and taken to Shenzhen. Shenzhen officials claimed that Peng's company, Champaign Ltd. (garment company), owed them money (allegations of embezzlement).
Physical Place of Detention	Detained by PSB in Hangzhou	Jail
Length of Detention	1 month	17 months
Police Involved? If So, How?	Yes. According to the article, "Mr. A was asked to pay one million yuan (HK \$908,000) to secure his release by the PSB in Hangzhou."	Yes, Peng was kidnapped by Shenzhen locals in Macau, allegedly with the help of Macau's police.
Consulate or Embassy Involved?	Yes	
Result/Resolution /Status?	The hostage was released in August 1991 after paying part of the money, but his brother and two employees were detained for at least another three months before they were allowed to return to Hong Kong.	Prosecutors reinvestigated the case.

	Case #7	Case #8
Article Title	Chinese Are Taking "Commercial Hostages" Business Disputes Lead to Arrests	Chinese Are Taking "Commercial Hostages" Business Disputes Lead to Arrests
Article Link	https://www.chicagotribune.com/news/ct-xpm-1995-03-27-9503270121-story.html	https://www.chicagotribune.com/news/ct-xpm-1995-03-27-9503270121-story.html
Publication Date	March 27, 1995	March 27, 1995
Nationality of Impacted Foreigner	Resident immigrant in the U.S.A. Zhang Gueixing	Chinese-American. Philip Cheng
Perpetrator(s) (If Mentioned)		Chinese joint venture partner
Dispute Location (If Mentioned)	China	Shenzhen
Dispute Background	Zhang Gueixing was imprisoned for 30 months in lieu of payment after his U.S. company rejected 1,000 Chinese-made bicycles that failed to meet U.S. safety standards.	Philip Cheng's joint venture manufactured motorcycle helmets in Shenzhen. He was jailed without charges in 1993 after a dispute with his Chinese joint venture partner.
Physical Place of Detention	Jail	Jail
Length of Detention	30 months	Not mentioned
Police Involved? If So, How?		
Consulate or Embassy Involved?		
Result/Resolution /Status?	Zhang was released after his company paid part of the bill for the bicycles.	Not mentioned

	Case #9	Case #10
Article Title	Marooned Americans Get No Help From China Police	Kidnappings: A Chinese solution to commercial contract disputes [article accessed via internal Cal Poly ProQuest data base]
Article Link	https://www.joc.com/maritime-news/marooned-americans-get-no-help-china-police_19950319.html	https://search-proquest-com.ezproxy.lib.calpoly.edu/globalnews/docview/243943092/BDEDCC3B8D444CDCPQ/12?accountid=10362
Publication Date	March 19, 1995	November 16, 2009
Nationality of Impacted Foreigner	U.S.A. Troy McBride, a Florida businessman	Taiwanese-Canadian
Perpetrator(s) (If Mentioned)	Agents of state-run Anhui Medicines and Health Products Import-Export Corp., or Meheco	
Dispute Location (If Mentioned)	Hefei, Anhui	
Dispute Background	Mr. McBride, a U.S. businessman, had a commercial dispute (health products) with Meheco. In 1994 Meheco won a court judgment against McBride's wholly-owned biochemical firm, Shenzhen New World Co. McBride claimed that Meheco was trying to force him to sign personal letters of guarantee not demanded/required by the court in the 1994 case/settlement, which involved transfers by Shenzhen New World Co. of cash, assets and property to Meheco over two years.	Quote from the article: "In a country where the rule of law is subservient to political power and the development of commercial law remains rudimentary, abduction -- essentially hostage-taking -- is a time-honored method of resolving contract disputes, or of easing the foreign partner out of a joint venture." The author also mentioned a case where a Taiwanese-Canadian businessman was detained in China for 6 months because of a business dispute, but no details were mentioned or provided.
Physical Place of Detention	Hotel in Hefei	
Length of Detention	Over 5 days	
Police Involved? If So, How?	Yes. Polices didn't help McBride, and they told taxi drivers that taking McBride to the airport would be considered aiding a criminal.	
Consulate or Embassy Involved?	Yes	
Result/Resolution /Status?	The U.S. Consulate in Shanghai asked Anhui's Foreign Affairs office to free McBride and argued that the seizure of McBride's passport was an illegal confiscation of U.S. government property. The People's Intermediate Court's judge ordered the seizure of McBride's passport. Based on the article, we don't know the result.	

	Case #11	Case #12
Article Title	Trapped in the lawless Chinese business jungle [article accessed via internal Cal Poly ProQuest data base]	台商工廠倒閉 欠 400 萬稱被囚禁 (Translation: Taiwanese factory closed down, owed 4 million and imprisoned.)
Article Link	https://search-proquest-com.ezproxy.lib.calpoly.edu/globalnews/docview/318700665/fulltext/BDEDCC3B8D444CDCPQ/29?accountid=10362	https://news.tvbs.com.tw/warm/148191
Publication Date	November 2, 2005	October 23, 2009
Nationality of Impacted Foreigner	Chinese-American. David Ji, co-founder of Apex Digital	Taiwan. Mr. Yeh, the owner of a garment factory
Perpetrator(s) (If Mentioned)	Changhong, Apex's supplier	Employees
Dispute Location (If Mentioned)	Shanghai and Sichuan	Suzhou
Dispute Background	Apex (home electronics manufacturer) claimed that it owed its supplier Changhong \$150 million, while Changhong claimed that Apex owed it \$470 million and failed to pay. David Ji, the founder of Apex, was arrested by the police from Mianyang, a city in southwestern Sichuan Province where Changhong has its headquarters. Mr. Ji was then transported to a Changhong guesthouse. Mr. Ji was requested to sign documents requiring the payment of the debt. After 6 months of being held hostage, Mr. Ji was handed over to the Mianyang police for formal arrest on charges of financial instrument fraud.	Mr. Yeh owned a garment factory in Suzhou for 8 years. The company owed about NT \$4 million. Yeh sought a legal way to resolve the problem of debt, but he was taken hostage by employees.
Physical Place of Detention	Changhong's guesthouse in Sichuan and Changhong-owned residence in Shanghai	Factory
Length of Detention	Several months	About 10 days
Police Involved? If So, How?	Yes. Mr. Ji was apprehended by Chinese police during a business trip. Changhong, a major state-owned company in Sichuan, deployed the police, prosecutors and judges in a campaign to collect its debt.	No
Consulate or Embassy Involved?	No	Yes
Result/Resolution /Status?	Apex and Changhong signed a security agreement. Apex acknowledged a \$150 million debt but the debt remains unpaid because Apex claimed it had no money. Mr. Ji was released on restricted bail. He was allowed to move around Chengdu, the capital of Sichuan, but he was under strict orders not to discuss his case with anyone. Also, the police confiscated his passport.	Unknown

	Case #13	Case #14
Article Title	Businessman stranded in China; Chinese authorities seized Steve Fleischli's passport over a dispute involving debts his company owes. He's been there since January [article accessed via internal Cal Poly ProQuest data base]	「警惕港人」港商在內地跟內地人合作做生意蝕錢·被大陸種無理禁錮毆打 (Translation: "Vigilant Hong Kong people" Hong Kong businessman cooperated with partners in the Mainland to do business, and was unjustly imprisoned and beaten.)
Article Link	https://search-proquest-com.ezproxy.lib.calpoly.edu/globalnews/docview/1026559077/BD0596203E34FDDPQ/7?accountid=10362	http://bbs.tianya.cn/post-208-34522-1.shtml
Publication Date	June 17, 2012	October 16, 2012
Nationality of Impacted Foreigner	U.S.A. Steve Fleischli, the former CEO of NorthPole	Hong Kong. Mr. Wang
Perpetrator(s) (If Mentioned)	Chinese suppliers	Business partner
Dispute Location (If Mentioned)	Xiamen	Nanning, Guangxi
Dispute Background	Because of an alleged dispute that NorthPole (outdoor equipment manufacturer) owed suppliers in China money, Fleischli went to China to try to solve the problem. Fleischli attended a meeting with suppliers at a factory in Xiamen, and was held hostage by suppliers for 36 hours. Because of the unpaid debt to Chinese suppliers, and citing Fleischli's status as NorthPole's legal representative in China, a court in Xiamen also ordered Fleischli detained.	Mr. Wang, a Hong Kong businessman, was involved in a money dispute in Nanning, Guangxi. Wang was involved in a joint venture investment worth CNY \$300,000 with a mainland business partner. But due to financial turmoil, the value of the investment plummeted to CNY \$90,000. The partner asked for the return of the full CNY \$300,000 but that request was refused by Mr. Wang. Later on, Wang was held hostage by the partner and was allegedly forced to pay CNY \$240,000 to the mainland business partner. During this period and these events, Wang was allegedly beaten and bruised.
Physical Place of Detention	Supplier's plant in Xiamen	Unknown
Length of Detention	36 hours	7 days
Police Involved? If So, How?	No	No
Consulate or Embassy Involved?	Yes	
Result/Resolution /Status?	After being held hostage for 36 hours, Fleischli was released from the factory with the help of the police.	After Wang's family paid CNY \$120,000 in cash and signed a debt of CNY \$120,000, Mr. Wang was released the following day and returned to Hong Kong.

	Case #15	Case #16
Article Title	港商遭深圳買家禁錮 (Translation: Hong Kong businessman was imprisoned by Shenzhen buyers.)	俄罗斯女商人因财务纠纷在中国遭绑架 (Translation: Russian businesswoman was kidnapped in China due to financial disputes.)
Article Link	https://hk.news.appledaily.com/local/daily/article/20060402/5793036	https://www.aboluowang.com/2016/0707/766273.html
Publication Date	April 2, 2006	July 7, 2016
Nationality of Impacted Foreigner	Hong Kong. Mr. Chang, a businessman	Russian businesswoman
Perpetrator(s) (If Mentioned)	Client (buyer)	Chinese business partners
Dispute Location (If Mentioned)	Shenzhen	China
Dispute Background	Mr. Chang, the company owner, went to Shenzhen because his client claimed that the goods shipped from Chang's company were damaged. Later on, he was held hostage by the buyer and was extorted out of CNY \$30,000. Chang called his company back in Hong Kong to ask an employee to raise money for his rescue. The employee called the HK police, then took the ransom to Shenzhen.	A 54-year-old Russian businesswoman was engaged in the business of footwear sales for about 20 years. The business included the import of footwear from China. Due to the sharp depreciation of Ruble, the businesswoman owed her Chinese supplier 8 million Rubles. She flew to China to try and resolve the financial dispute. Her Chinese business partners picked her up at the airport. The next day, the businesswoman called her daughter and said she had been kidnapped by the Chinese partner who demanded she repay all of the debt.
Physical Place of Detention	Unknown	Unknown
Length of Detention	Unknown	Unknown
Police Involved? If So, How?	No	No
Consulate or Embassy Involved?		Yes
Result/Resolution /Status?	Because the case occurred in the Mainland, the Hong Kong police could not intervene in the investigation. As a result, Hong Kong police notified the Mainland Public Security officers of the incident. Based on the article, we don't know whether Chang was released.	Russian investigators contacted Interpol and the Russian Embassy in China in order to help the Russian businesswoman safely return to Russia.

	Case #17	Case #18
Article Title	Hostage Taking Is China's Small-Claims Court	American Businesswoman Becomes Debt Hostage in Qingdao
Article Link	https://foreignpolicy.com/2017/08/08/chinas-police-think-hostages-arent-their-problem/	Not reported in the press. This is Example No. 1 discussed earlier in this article.
Publication Date	August 8, 2017	
Nationality of Impacted Foreigner	Australian company. 20 Chinese employees of an Australian foreign currency trading firm. 17 employees were released within 24 hours; the remaining three employees were held for five days.	U.S.A.
Perpetrator(s) (If Mentioned)		Qingdao company/businesspersons
Dispute Location (If Mentioned)	Shanghai	Qingdao
Dispute Background	The article discusses the general situation of being held hostage because of a financial dispute in China. There are also several specific cases mentioned in the article, such as a hostage taking targeted at an Australian foreign currency trading firm. It appears that the employees taken hostage at the Australian firm were all Chinese (20 of them). However, we still include this case in our sample because the article clearly signals that the foreign firm was targeted because it had money and/or was a foreign firm. Further, according to the article, "For someone to get taken hostage is when their company allegedly owes money to a Chinese company. They are typically resolved by the foreign company paying every dollar allegedly owed." It also mentioned that the Chinese side of this dispute might be connected with a local government office or a powerful business. Per the article, the Chinese police also often allegedly avoid getting involved in this dispute, and other financial disputes, even when hostages are taken.	See the more complete discussion of this jewelry industry incident, earlier in this article. Essentially, the U.S. company allegedly owed a Qingdao manufacturer \$650,000 (USD). Employee was advised to stay away from China. She ignored the warning, and confident in her own management and business acumen, traveled to Qingdao to try to "work out the dispute."
Physical Place of Detention	Shanghai, at the office.	Qingdao, and primarily the hotel there.
Length of Detention	17 of the employees were freed within 24 hours; the remaining three employees were held for five days.	Five days
Police Involved? If So, How?		Yes. See incident details reported earlier in the article.
Consulate or Embassy Involved?		Yes, but it was toward the end of the process, for assistance issuing new documents to return home.
Result/Resolution /Status?		U.S. businesswoman escaped to Beijing from Qingdao, and then flew home.

	Case #19	Case #20
Article Title	Consumer Good Dispute in Qingdao	Investment Bank Acquisition Gone Bad
Article Link	Not reported in the press. This is Example No. 2 discussed earlier in this article.	Not reported in the press. This is Example No. 3 discussed earlier in this article.
Publication Date		
Nationality of Impacted Foreigner	U.S.A (two employees)	U.S.A.
Perpetrator(s) (If Mentioned)	Qingdao consumer good(s) factory-supplier	Confidential
Dispute Location (If Mentioned)	Qingdao	Confidential
Dispute Background	See the more complete discussion of this incident earlier in this article. Essentially, the factory workers detained two mid-level executives because they (they workers) had not been paid by the factory owner.	See the more complete discussion of this incident earlier in this article. Essentially, a U.S. investment bank pulled out of a potential acquisition of a Chinese company, and the Chinese company in turn took the U.S. middleman hostage who had tried to broker the deal.
Physical Place of Detention	Qingdao	Confidential
Length of Detention	Unclear, but appears several days	At least six months
Police Involved? If So, How?		Unknown
Consulate or Embassy Involved?		Unknown
Result/Resolution /Status?	U.S. company paid \$300,000 (USD) in return for the release of its products and release of its employees.	As of the date of this writing it is unknown what happened to the middleman.