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**DIAMONDS, THE RUF AND THE LIBERIAN CONNECTION**

**A Report for  
The Office of the Prosecutor  
The Special Court for Sierra Leone  
Ian Smillie, APRIL 21, 2007**

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**A Report for the Special Court for Sierra Leone**  
**Ian Smillie, November 14, 2006**

**1 Introduction**

I was a member of the UN Panel of Experts on Sierra Leone Diamonds and Arms, appointed pursuant to Security Council Resolution 1306 (2000). The Panel began its work in August 2000 and submitted its report on December 19. The report was considered by the UN Security Council on January 25, 2001.

Between August and December 2000, the Panel traveled extensively, meeting with government officials, representatives of military and security agencies, the diamond industry, journalists, non-governmental organizations (NGOs) and academics in Canada, Belgium, Britain, France, Ghana, Guinea, India, Israel, Liberia, Mali, Niger, Nigeria, Sierra Leone, Spain, Switzerland, South Africa Ukraine, United Arab Emirates and the United States. The team did not always travel together, although most interviews were conducted by two or more members.<sup>1</sup>

Before my appointment, I had taught between 1967 and 1968 at Koidu Secondary School in Sierra Leone's Kono District, the heart of its diamond mining area. As Executive Director of Canadian University Service Overseas I made an official visit to Sierra Leone in 1983, meeting President Siaka Stevens and other senior government officials. In 1996 I visited Sierra Leone as a consultant to the international NGO CARE, to carry out a study on local NGO capacity in the provision of relief and development assistance. In 1999 I co-authored a study under the auspices of the Canadian NGO Partnership Africa Canada (PAC), entitled *The Heart of the Matter; Sierra Leone, Diamonds and Human Security* (published in January 2000).

Following my work on the UN Panel, I joined PAC on a part-time basis as its Research Coordinator, with primary responsibility for its "Diamonds and Human Security Project". I continue to hold that position. In this capacity I was involved in most of the inter-governmental meetings between 2001 and 2002 that led to the creation of the Kimberley Process Certification Scheme (KPCS) for rough diamonds. This certification system now involves more than 70 countries and was designed to halt the phenomenon of conflict or "blood" diamonds. The most recent meeting took place in Botswana, November 6-9, 2006.

Since the KPCS came into effect on January 1, 2003, I have participated in all KPCS annual plenary and intersessional meetings. I am a member of the Kimberley Process working groups on statistics and monitoring, and was a member of its *ad hoc* committee evaluating the impact and effectiveness of the KPCS in 2006. I have served on several KPCS review teams, including those examining compliance in Israel, the United States, Switzerland and the European Union. I have attended all Annual Meetings of the World Diamond Council and have spoken extensively about diamonds in the media and elsewhere. I was keynote speaker at the World Jewelry

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<sup>1</sup> Annex 6 provides further information on the UN Panel's Report and on *The Heart of the Matter: Sierra Leone, Diamonds and Human Security*.

Congress in 2006 and the Rapaport International Diamond Conference in New York, January 2007. I have been closely involved in the creation of the Diamond Development Initiative, an NGO-industry initiative aimed at improving the lot of Africa's artisanal alluvial diamond diggers.

Over the past decade I have visited Sierra Leone and other West African countries many times. I have authored four of PAC's occasional papers on diamonds and human security (all available on the PAC website – [www.pacweb.org](http://www.pacweb.org)), and I serve as editor for the overall project.

## 2 Summary

- a) Sierra Leone has historically produced high quality diamonds, but diamond production in Sierra Leone had become chaotic and semi-criminalized<sup>2</sup> before the start of the conflicts in Sierra Leone and Liberia;
- b) Before 2003, there were virtually no controls on the international movement of rough diamonds;
- c) Liberia has a very small diamond resource base, producing low-quality stones;
- d) There is a long history of diamond smuggling from Sierra Leone into Liberia;
- e) During the 1990s, the import of massive volumes of "Liberian" diamonds into Belgium constituted fraud of major proportions;
- f) The fiction of Liberian exports provided excellent cover for laundering smuggled diamonds from Sierra Leone;
- g) The Revolutionary United Front (RUF) actively smuggled diamonds into Liberia and used them as barter for weapons and supplies;
- h) Charles Taylor was directly involved in the transfer of diamonds from the RUF and in supplying the RUF with weapons.

## 3 The Diamond Pipeline Before 2003

### *The Geology of Diamonds*

Most diamonds have come to the surface through gassy volcanic eruptions rising through the earth's crust to its surface. These small volcanic eruptions last occurred 50 million years ago, producing carrot-shaped 'pipes' of gray-green rock called "kimberlite". Many kimberlite pipes never reached the surface, and of the 5000 known pipes throughout the world that actually contain diamonds, fewer than 100 have proven economically viable. The diamond-bearing pipes vary in size at the surface. The biggest is a kilometre across, while the smallest ones are only metres in diameter. The nature of the kimberlite eruption – the heat, pressure and the speed with which the rock and diamonds were brought to the surface – determines the size, quality and volume of the stones it contains. The ratio may be as low as one part in 20 million, but a very good mine will produce three to five carats a ton. Rio Tinto's Argyle Mine in Australia produces 2.3 carats per ton, BHP Billiton's Ekati Mine in Canada produces 1.28 carats per ton.

The earliest diamond finds, and the diamonds that have contributed most to conflict and instability have a different history. They are almost exclusively "alluvial"

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<sup>2</sup> See "Buying and Selling" below, and Annex 1

diamonds. Alluvial diamonds were produced in the same way as those found in kimberlite pipes, but over time, the top of the pipe has been worn away by erosion. The soft kimberlite has crumbled and washed away down countless streams and rivers, whose course may have changed time and again over the millennia. Glaciers may have pushed the gravel a thousand miles away from its source, sometimes into oceans, or what became oceans. The precise source may not actually be known. These alluvial diamonds are usually found within a few feet of the earth's surface and may be scattered in varying degrees of concentration over hundreds of square miles. Unlike kimberlite mines, which require heavy equipment and which can be readily policed, alluvial diamonds are more accessible to labour-intensive digging methods. And the vast areas over which they are scattered are much more difficult to control.

Currently and historically, most of the diamonds mined in Sierra Leone have been alluvial in nature, but there are two kimberlite pipes and four kimberlite dykes<sup>3</sup> in the Koidu area, which were mined for almost 20 years after 1962 by the Sierra Leone Selection Trust (SLST). Pipes 1 and 2 were mined to a depth of about 30 metres before being terminated. Mining of these pipes resumed in 2004 by Koidu Holdings, a subsidiary of Energem Resources Inc. Reported grades are between 0.6 and 0.7 carats per ton, but with very high run-of-mine average prices (\$205/ct from Pipe 2 and \$318/ct from Pipe 1).<sup>4</sup> By comparison, Canadian averages run at slightly over \$100/ct., Botswana's run at less than \$100/ct., Angola at \$150/ct. and the DRC at less than \$28/ct.

Tongo Field has four known diamondiferous kimberlitic fissures, and while SLST was present in Sierra Leone, the company was producing as much as three carats per ton in the area.

Although Sierra Leone's kimberlite mines show considerable promise, they still represent a small proportion of the country's overall diamond production. Out of the \$142 million worth of diamonds exported in 2005, only 22.5 million was derived from industrial mining.

There is a third source of diamonds in Sierra Leone – the tailings or “slime dumps” from earlier mining operations in Kono District and Tongo Field. Between the 1960s and 1980s, millions of tons of throughput (gravel, earth, etc) were treated, using technology that allowed stones over and under a certain size to escape. Very small stones and stones larger than ten carats can still be found in these tailings. The tailings have been the object of illicit mining over the past 15 years and are now covered by commercial contracts. One estimate of the total value contained in the tailings of No. 11 Plant in Kono, which operated from 1969 to 1992, places the value at \$38 million.<sup>5</sup>

### *Stages in the Pipeline*

There are three major stages in the diamond pipeline before the cutting and polishing process: exploring and prospecting, mining and processing, and buying and selling.

<sup>3</sup> A kimberlite dyke is a fracture along which molten magma moved as a pipe was being formed. A dyke may be several kilometers in length, and may or may not be diamondiferous.

<sup>4</sup> Source for Sierra Leone figures: Energem Resources Inc., Asset Overview and press releases.

<sup>5</sup> African Diamonds Plc., [www.afdiamonds.com/\\_operations/plant\\_11\\_tailings.html](http://www.afdiamonds.com/_operations/plant_11_tailings.html)

Exploration and Prospecting:

New finds are an on-going part of the diamond story. Canadian diamonds were not discovered until 1991, but Canada is today's third largest diamond producer. Exploration may be done by large mining firms like De Beers, BHP Billiton and Rio Tinto, but there are hundreds of smaller companies, known as "juniors" that search for diamonds as well. De Beers began prospecting in Canada in the 1970s, and spent \$111 million on exploration in 2003. The country's first major diamond finds, however, were made by an extremely small company with only two geologists. If "juniors" are successful, they are usually bought out by larger firms with the capital and experience to exploit a find.

Over the past three decades, exploration and prospecting in Sierra Leone has been carried out almost exclusively by junior mining firms. No major new finds have been recorded, but several exploration companies are active today in Sierra Leone.

Mining and Processing:

There are essentially three types of diamond mining. Industrial mining involves the use of capital-intensive, sophisticated mining technology. Deep kimberlite pipes require significant investment capital, heavy equipment and sophisticated sorting and treatment technologies. Some industrial diamond mining took place in Sierra Leone between the 1940s and the early 1980s, and it has resumed on a limited scale in Koidu with the startup, after the war, of Koidu Holdings Ltd. Semi-industrial diamond mining usually involves stripping the surface with mechanized equipment such as mechanical shovels and perhaps dragline excavators. Artisanal mining is done by hand. It may involve little more than picks, shovels and sieves, although some artisanal miners may use pumps to drain pits, or to supply air for those digging in river beds.

Five years after the 1930 discovery of diamonds in Sierra Leone, the colonial government gave SLST exclusive prospecting and mining rights over the entire country for a period of 99 years. SLST was a subsidiary of the Consolidated Africa Selection Trust (CAST) and part of the giant Selection Trust mining empire. By the early 1950s, however, huge numbers of illicit miners were moving into the richest diamond areas of Kono District, leading to a general breakdown in law and order, and threatening to overwhelm the entire SLST operation. By 1955, there were an estimated 75,000 illicit miners in Kono. SLST's lease was reduced that year to a more realistic area, which cut down on the territory that had to be policed. In addition, an Alluvial Mining Scheme was created, giving indigenous miners licensed access to diamonds in the rest of the country.

SLST was given exclusive mining rights over an area of approximately 230 square miles in Kono District, known as the "Yengema Lease" and a smaller area of approximately 80 square miles at Tongo Field in Lower Bambara Chiefdom of Kenema District (known as the "Tongo Lease").

Buying and Selling:

Until the 1990s, regardless of how diamonds were mined, more than 80% of the world's production, by value, was marketed through De Beers' Central Selling Organization (CSO) (now known as the Diamond Trading Company). De Beers had its own mines in South Africa, and shared in the ownership of mines elsewhere – in Botswana, Namibia and Tanzania, for example. It also had buying agreements with most of the world's other major producers, such as Alrosa in Russia and with major producers in Angola and the Democratic Republic of the Congo. Additionally, De Beers had buying offices in countries such as Guinea and Sierra Leone where it purchased artisanal production, or diamonds that had leaked out of formal mining operations.

Because of new diamond discoveries in Canada and different marketing arrangements elsewhere, De Beers' share is now said to be less than 60% of the market. De Beers sells only to a pre-selected list of customers, known as sightholders.

Most of the rest of the primary market for rough diamonds is found in Antwerp, once the centre of the industry's cutting and polishing business, but now more a centre for trading than anything else. Something like 90 per cent of the world's rough diamond production finds its way through Antwerp, because in addition to what is taken there by importers who are independent of De Beers, the city is home to half of De Beers' sightholders.

Many of these sightholders and Antwerp-based trading firms are no longer Belgian, representing mining firms like BHP Billiton, and buyers from countries as far afield as Israel, India, Thailand and the United States, eager to supply their own cutting and polishing industries.

In Sierra Leone, the entire production of SLST was originally sold through the De Beers CSO. When the SLST lease was reduced in 1955, a mechanism was needed to procure and sell diamonds mined by smaller companies and artisanal miners. A De Beers-run Sierra Leone Diamond Buying Organization was established, with a string of De Beers buying offices established in the diamond areas. Because smuggling – mainly to Liberia – had been rampant in the years following World War II, De Beers also established buying offices in Monrovia, Abidjan and elsewhere.

In 1971, President Siaka Stevens created the National Diamond Mining Company, taking over 51 per cent of SLST's shares and effectively nationalizing the company. A Sierra Leonean of Lebanese extraction, Jamil Sahid Mohamed, bought 12 per cent of the government shares, and SLST's control – and its shipments of diamonds – began to slip precipitously. In 1984, a company controlled by Jamil bought the remaining shares of SLST, and the above-board, legal diamond industry was soon almost completely corrupted in collusion between Jamil, the President of Sierra Leone and people they brought into the industry. From a high of over two million carats in 1970, official diamonds exports fell to 48,000 carats in 1988. By then, senior government officials and a series of government-invited "investors" from Israel and

the Russian mafia had effectively criminalized the movement of diamonds from Sierra Leone.<sup>6</sup>

Internally, with SLST gone, the middleman function in Sierra Leone had been taken over almost exclusively by Lebanese dealers, operating primarily in Koidu, Kenema and Bo. There is a large Lebanese Diaspora throughout West Africa, heavily involved in the import-export trade, transportation and other service industries, including retail sales and diamonds. Once Siaka Stevens had sidelined SLST, the Lebanese community became increasingly involved in the formal and the informal diamond trade. From the late 1970s to the early 1990s, Lebanon's civil war played itself out in microcosm in Sierra Leone. Because the various Lebanese militia needed financial assistance, Sierra Leone's Lebanese diamond dealers came into the picture as a kind of donor base, making contributions on behalf of one faction or the other. Lebanese diamond dealers operated both legally, as licensed dealers, and illegally. As the economy of Sierra Leone deteriorated, diamonds became an alternate form of hard currency for international commercial transactions, and a means of exporting profit.<sup>7</sup>

A second level of buying, selling and smuggling was carried out by *Marakas*, traditional itinerant traders operating in several countries of West Africa.<sup>8</sup> When prices in Sierra Leone were good, *Marakas* might bring diamonds into the country from Guinea or Côte d'Ivoire. Alternatively, they might take them out to Liberia, Guinea or The Gambia, depending on prices, currency exchange rates, and what the diamonds might be used to purchase.

By the early 1990s, Sierra Leone's diamonds were reaching international markets in a variety of ways. A small percentage was being exported legally, through government-managed facilities. Of the smuggled goods, some would have found their way to Belgium, some would have found their way directly to Lebanon (Freetown was serviced by Sabena and direct Middle East Airlines flights to Beirut) and others to the cutting and polishing factories of Israel through the agency of itinerant Israeli buyers. Others would be carried by *Marakas* to Monrovia in Liberia, Abidjan in Côte d'Ivoire, Conakry, the capital of Guinea and Banjul, the capital of The Gambia. Once the RUF had control of the diamond fields, however, things changed.

Some diamonds continued to leave by the routes mentioned above, although as the war progressed, international airlines stopped servicing Freetown and more diamonds began moving through neighbouring capitals. The RUF sold some of the diamonds it controlled through existing networks inside Sierra Leone, bartering for food and supplies across enemy lines. But the bulk of its diamond trade was through Liberia.

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<sup>6</sup> See Annex 1 for further details.

<sup>7</sup> Because Sierra Leonean currency was worthless abroad, a businessman wanting to take his profits to Lebanon, for example, could purchase diamonds in leones in Sierra Leone, and sell them for dollars in Lebanon. An importer wanting to finance rice imports to Sierra Leone with money earned in Sierra Leone, could buy diamonds in leones, and sell them abroad for the dollars needed to buy the rice.

<sup>8</sup> The *Maraka* are a distinct ethnic group with their own language and culture. They are most prominent in The Gambia and Mali, where they are also known as *Sarakoulé*. Many *Marakas* are active in trade along the West Coast of Africa, and In Sierra Leone they have been active for many years in financing diamond diggers and trading in diamonds.



#### 4 Liberian Diamond Production and Exports

Liberian diamonds are generally known to be small, low quality goods – 85-90% small industrials and poor quality gems<sup>9</sup> -- with a historical average value during 1960s and 1970s of \$25-\$30 per carat.

Historically, Liberia has not been a significant diamond producer, although during the 1950s it became a major exporter of smuggled diamonds from other countries. Over one million carats were exported in 1961, up from an average of 64,000 carats per annum in the early 1950s.<sup>10</sup> The huge increase mainly represented smuggling from Sierra Leone, coinciding with the end of the SLST monopoly over the entire country and the start of artisanal production in 1956, combined with the attraction of hard currency in return for diamonds, available because Liberia used the US dollar as legal tender.

During the early 1960s, several diamond exploration licenses were issued in Liberia, based mainly on the Lofa River, which roughly parallels the Sierra Leone-Liberia border, about 40 km. inside Liberia. Swiss, Liberian and British firms were involved, along with two De Beers subsidiaries. Although some kimberlite deposits were found, none proved viable and the companies failed or left Liberia. Other investors in the 1970s and 1980s had the same results.

Two estimates are available for Liberian diamond production in the late 1980s and the 1990s. The first, by the US Geological Survey, is based on historical averages and on estimates rather than actuals. The second are figures supplied by the Liberian Ministry of Lands, Mines and Energy. Table 1 compares these with Belgian diamond import figures from Liberia.

**Table 1: Liberian Diamond Exports and Belgian Imports**  
(in thousands of carats; thousands of US\$)

Year	Liberian Diamond Exports						Belgian Diamond Imports from Liberia					
	US Geological Survey			Liberian Government			Diamond High Council					
	Carats	Value	\$/ct	Carats	Value	\$/ct	Carats	Value	\$/ct			
1985	n/a	n/a	n/a	138	n/a	n/a	n/a	n/a	n/a			
1986	n/a	n/a	n/a	252	n/a	n/a	n/a	n/a	n/a			
1987	n/a	n/a	n/a	295	10,944	\$37.09	n/a	n/a	n/a			
1988	n/a	n/a	n/a	167	8,838	52.92	n/a	n/a	n/a			
1989	n/a	n/a	n/a	150	8,633	57.55	n/a	n/a	n/a			
1990	100	n/a	n/a	No official exports because of conflict			5,530	365,510	66.09			
1991	100	n/a	n/a				684	134,710	196.94			
1992	150	n/a	n/a				1,909	313,800	164.37			
1993	150	n/a	n/a				5,006	283,930	56.71			
1994	100	n/a	n/a				3,269	392,380	120.03			
1994	150	n/a	n/a				10,678	358,800	33.60			
1996	150	n/a	n/a				12,629	616,200	48.79			
1997	150	n/a	n/a				5,862	329,180	56.15			
1998	150	n/a	n/a				8	800	100.00	2,558	269,950	105.53
1999	150	n/a	n/a				8.5	900	105.88	1,876	298,820	158.28

<sup>9</sup> Greenhalgh, pp. 12, 157-8

<sup>10</sup> Figures supplied by the Liberian Ministry of lands, Mines and Energy

Notes: USGS figures are from Ronald F. Balazik, 'Gemstones', *1998 Review*, US Geological Survey, August 1999. Belgian figures are official import statistics, provided by the Ministry of Economic Affairs, Antwerp.

The USGS figures are similar to the historical figures provided by the Government of Liberia for the five years immediately preceding the outbreak of civil war in that country. Official exports averaged 200,000 carats per annum, a figure that undoubtedly includes some goods that had been smuggled in. In sharp contrast, the ten year average for Belgian imports from Liberia between 1990 and 1999 is five million carats per annum, five times the volume exported at the height of Liberia's diamond smuggling in 1961, and 24 times more than the average annual production in the five pre-war years.

President Taylor and his Minister of Lands, Mines and Energy, Jenkins Dunbar, seemed determined to demonstrate to the UN Panel that Liberia did indeed have significant diamond resources. President Taylor told the Panel that Liberia had more diamonds than Sierra Leone. He also said that four kimberlites had been identified.<sup>11</sup> Minister Dunbar was eager for the Panel to see an area near Paynesville, not far from Monrovia, where a major diamond find had been announced. He personally drove one of the vehicles that took us to the site where we saw a large area of perhaps 100 acres that had been extensively and recently mined. Someone appeared to show us a small sample of diamonds that were said to have been found there. There were no more than ten or fifteen diggers in the entire area, however, a highly unlikely situation if indeed there had been any significant find.

#### *The Origin of "Liberian" Diamonds*

It is clear (see below) that almost none of the huge volume of diamonds entering Belgium during the years mentioned above as Liberian (1990-1999) were of Liberian origin. But a question arises: how much might have originated in Sierra Leone?

At its peak in 1960, Sierra Leone produced only two million carats annually. But during the 1990s, official exports declined to an average of only 186,000 carats per annum. Some of the decline can be explained by the conflict, but a significant part of the decline can be ascribed to smuggling.

**Table 2: Sierra Leone Diamond Export Figures  
(in thousands of carats)**

1990	1991	1992	1993	1994	1995	1996	1997	1998	2004	2005
78	243	347	158	255	213	270	104	15.8	692	669

Source: Government of Sierra Leone

The UN Panel estimated that the RUF might have been exporting between \$25 and \$125 million worth of diamonds per annum. De Beers estimated that the total was likely \$70 million per annum in 1999.<sup>12</sup> Part of the problem in making an estimate at that time was the absence of any reliable production data after about 1975.

<sup>11</sup> See Annex 2: "Notes on Meeting with President Charles Taylor, Oct 6, 2000", Ian Smillie

<sup>12</sup> Between 1992 and the end of the war, the RUF controlled Kono District off an on for periods totaling about five years out of the eight in question. Control of Tongo Field was more sporadic, but by January 1999 they were in full control of both areas and held them until disarmament late in 2001. See Annex 3 for approximate dates.

An indication of Sierra Leone's potential at the time, however, can now be seen in the official export figures for 2004 and 2005, which averaged 680,000 carats. During the 1990s, therefore, even with allowances for the war, as much as 300,000 – 400,000 carats per annum may have been smuggled out of the country during the periods when the RUF controlled Kono District and Tongo Fields. This could have been worth between \$60 and \$80 million per annum, very close to the De Beers estimate.

In the UN Panel Report, we showed that Belgian import statistics from Guinea, The Gambia and Côte d'Ivoire also exceeded the production capacities of those countries (The Gambia, in fact, is not a diamond producer). It is likely that some of these diamonds, and some of the huge volume from Liberia, were Russian in origin, "submarined" out of the country<sup>13</sup> to avoid a contravention of Alrosa's contract with De Beers.<sup>14</sup> It is also highly likely that some of the diamonds were Angolan in origin. During these years there was a hemorrhage of conflict diamonds from Angola. Some have been traced to the DRC before the fall of Mobutu Sese Seko, some to Togo, and some to Burkina Faso. The Angola UN Expert Panel reported in March 2000 that Burkina Faso President Blaise Compaoré had been directly involved in UN sanctions-busting diamond transactions with the Angolan rebel movement, UNITA.<sup>15</sup>

The close political and military ties between Burkina Faso's President and Charles Taylor have been well documented.<sup>16</sup> Compaoré supported Taylor's insurrection, and he supported Taylor after he became President of Liberia. Our Panel showed conclusively that Burkina Faso assisted the Taylor regime with illicit weapons.<sup>17</sup>

Some have said that the RUF showed no signs of wealth, and that the RUF could not possibly have been smuggling anything like \$60 - \$80 million a year worth of diamonds. Certainly diamonds were being mined periodically by non-RUF diggers, and there were times during the second half of the 1990s when the RUF was not present in Kono. But it should be remembered that any Sierra Leonean diamonds smuggled to Liberia by the RUF were financing not just the RUF, but Charles Taylor's own rebellion before he became President in 1997.<sup>18</sup> There is no reason to doubt the widespread academic conclusion that Taylor's purpose in supporting the RUF was not only to obtain resources for his own rebellion. It was to destabilize and deny resources to the Government of Sierra Leone, which had given ECOMOG – the

<sup>13</sup> "Submarined" is a term used in the industry to describe diamonds that may have been exported legally, but in ways that would avoid them being labeled – in this case – as Russian. If De Beers found that one of its sightholders was purchasing Russian diamonds in contravention of its agreement with Alrosa, it might stop selling to that sightholder, which could be commercially disastrous for the sightholder.

<sup>14</sup> When the UN Panel asked President Taylor how he explained the huge imports from Liberia into Belgium, he said that some could be Russian diamonds.

<sup>15</sup> Report of The Panel of Experts on Violations of Security Council Sanctions Against UNITA, United Nations Security Council, S/2000/203, 10 March 2000, para 83

<sup>16</sup> For example, *The Liberian Civil War*, Mark Huband, Frank Cass, London 1998; *The Mask of Anarchy*, Stephen Ellis, Hurst, London, 1999; *The Skull Beneath the Skin: Africa After the Cold War*, Mark Huband, Westview, Boulder, 2001

<sup>17</sup> See UN Panel Report, paras. 203-211

<sup>18</sup> US Ambassador to Liberia, William Twadell, testified to the US House of Representatives in 1996 that between 1990 and 1994, Taylor had exported on average \$300 million per annum in diamonds to finance his insurrection. Cited in Ellis, pg. 90

West African peacekeeping force that was Taylor's most serious military opponent – a staging base for its Liberian operations.<sup>19</sup>

That said, the RUF maintained a fighting force of at least 5000-6000 men,<sup>20</sup> which required significant amounts of food and shelter in addition to weapons and logistical support. The RUF could not possibly have supported itself in a ten-year war without a significant source of support. Further, during the time he spent in Sierra Leone after the Lomé agreement between 1999 and 2000, RUF leader Foday Sankoh spent money lavishly, with no evident sign of income.<sup>21</sup>

When Taylor became President of Liberia, he inherited a bankrupt economy, and so RUF-sourced diamonds would likely have been “taxed” at a high rate. It is likely as well that the proceeds of some of the diamonds went into the private accounts of the RUF and Liberian leaderships. But the RUF, with an army of 5000-plus, needed a regular supply of weapons, ammunition and logistical support, and Taylor himself, fighting his own rebel incursion after 1997, also needed weapons.<sup>22</sup>

The pertinent question is not how many Sierra Leonean diamonds were smuggled into Liberia, but whether *any* were, and if yes, whether they were used as barter for weapons, and whether the Liberian government and President Taylor played a part in the process.

## 5 The RUF, Diamonds and Liberia

The RUF had various camps in Kailahun District, but their headquarters throughout much of the war was at Buedu, east of Kailahun. Buedu was an ideal location in the sense that it was only 11 km by road from the Liberian border and less than 30 km from Foya, the Liberian town used as a staging base for the supply of weapons and other support to the RUF. Buedu was also within striking distance of Sierra Leone's main diamond fields – approximately 80 kilometres by road from Tongo Field and 125 km from Koidu.<sup>23</sup> (See map, Annex 4.)

Here I will reprint some of what appeared in the UN Panel report, written in December 2000.<sup>24</sup> At the time, we could not divulge all of the sources of our

<sup>19</sup> Huband and Ellis, among many, have detailed Taylor's strategy with regard to ECOMOG (see bibliography).

<sup>20</sup> Estimates of this magnitude can be found in Paul Richards, *Fighting for the Rainforest: War, Youth and Resources in Sierra Leone*, The African Institute, London, 1996, and in several articles on Sierra Leone in *Afrique et Développement*, Vol. XXII, Nos. 3/4, 1997. In fact more than 10,500 RUF combatants were demobilized between May and October 2001 alone; source: USAID – [http://www.usaid.gov/our\\_work/cross-cutting\\_programs/transition\\_initiatives/country/sleone/rpt1001.html](http://www.usaid.gov/our_work/cross-cutting_programs/transition_initiatives/country/sleone/rpt1001.html).

<sup>21</sup> The UN Panel heard testimony and saw evidence in files found in Foday Sankoh's house of large purchases of vehicles and equipment, ostensibly for the RUF campaign in the election that was planned for 2002.

<sup>22</sup> Taylor had competed for power during the mid 1990s with, among others, two factions of an organization called United Liberation Movement of Liberia for Democracy (ULIMO), and subsequently Liberians United for Reconciliation and Democracy (LURD) and other armed factions.

<sup>23</sup> Road distances in Sierra Leone have been taken from “A + B Road Network of Sierra Leone; Long Distance Measurements”, SLIS Map 0174, 12 July 2006, [http://www.daco-sl.org/encyclopedia/7\\_lib/7\\_3/7\\_3b/7\\_3b\\_5r/sl\\_AB\\_road\\_distance.pdf](http://www.daco-sl.org/encyclopedia/7_lib/7_3/7_3b/7_3b_5r/sl_AB_road_distance.pdf)

<sup>24</sup> The excerpts are drawn from paras 68-78 of the UN Panel Report

information. I will discuss sources at the end of this section and additional information that has since come to light.

“Until 1995, RUF diamond mining and digging was probably done on a sporadic and individual basis. By 1995, however, the RUF and its patrons were clearly taking a much greater interest in the diamond fields of Kono District, and had to be removed forcefully at that time by the private military company, Executive Outcomes. From then on, the RUF interest in diamonds became more focussed, especially with the 1997 imprisonment of Foday Sankoh in Nigeria. During his imprisonment and subsequently, the diamond areas of Kono and Tongo Field became a primary military focus of the RUF, and diamond mining became a major fund-raising exercise.

“This finding is supported by the tenacious military hold that the RUF has maintained on Kono District and Tongo Field, the two most valuable diamond areas in Sierra Leone. It is borne out in the written and oral testimony of current and past RUF leaders. It is supported by the testimony of Chiefs and elders from Kono District who are in daily communication with travellers from their areas. It is borne out in written reports made by RUF field commanders to Foday Sankoh. And it is supported by current internal communications between RUF leaders inside Sierra Leone, and between RUF leaders in Sierra Leone and in Liberia...

“Once the Kono diamond fields were secured by the RUF, they created a mining unit under ‘Lt. Col Kennedy’. The RUF have since organized something they refer to today as ‘RUF Mining Ltd.’ As of October 2000, the ‘Chairman’ was ‘Lt. Col. Abdul Razak’ and the Deputy Chairman was ‘Lt. Col. Victor’.

“In addition to being a source of revenue, diamonds have also been a source of constant friction and confusion within the RUF. In 1999, Sam ‘Mosquito’ Bockarie, a former diamond digger who became the RUF’s ‘Battle Group Commander’ and ‘High Command’, complained to Foday Sankoh that during the AFRC/RUF ‘marriage’ in 1997<sup>25</sup> Dennis Mingo (‘Col. Superman’) had sold a diamond to a Lebanese businessman. A portion of the proceeds had gone to the AFRC government and the balance, Le9 million, was intended for the RUF. Instead, however, Superman embezzled the money, according to Bockarie...

“Late in 1998, after the AFRC had been forced out of Freetown by ECOMOG, RUF forces led by Issa Sesay and under orders from Sam Bockarie (then referred to as Chief of Defence Staff for both the RUF and the AFRC), undertook a mission to move former AFRC Chairman Johnny Paul Koroma to the safety of RUF headquarters in Buedu. While they were there, Sesay discovered that Koroma was in possession of a parcel of diamonds, and that he was planning to escape to Ghana with his family. Sesay and Brigadier Mike Lamin confronted Koroma, finding it hard to believe that while they were trying to regroup, Koroma would keep diamonds for his own use and flee, leaving them with a problem he had created. The diamonds were subsequently handed over to the RUF leadership. According to internal RUF reports, the diamonds were then given to Ibrahim Bah and ‘Sister Memuna’ and taken to Liberian President Charles Taylor.

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<sup>25</sup> Following a coup in May 1997, the Armed Forces Revolutionary Council, headed by Johnny Paul Koroma took power. The AFRC invited the RUF to share power with them. A period of violence and anarchy ensued. In February 1998 the West African peacekeeping force, ECOMOG, forced the AFRC from power and returned Tejan Kabbah to the Presidency.

“The name of ‘Ibrahim Bah’ arises frequently in the RUF diamond story. He is said to be a Burkinabe military officer. He is also known as Ibrahima Baldé and Baldé Ibrahima. He was a key player in the RUF-AFRC axis, and has been instrumental in the movement of RUF diamonds from Sierra Leone into Liberia and from there to Burkina Faso.

“Issa Sesay, the current RUF leader, has had his own problems with diamonds. Late in 1998, Captain Michael Comber of the RUF Mining Unit brought a parcel of diamonds from Kono to the RUF headquarters at Buedu. Sam Bockarie gave the diamonds to Sesay who took them to Liberia where he was to meet Ibrahim Bah. Together they were then to meet a business associate of Foday Sankoh to make arrangements for the procurement of military equipment. Sesay lost the diamonds somewhere in Liberia, claiming he had accidentally dropped the parcel in the mud. This led to a major contretemps between Sesay and Bockarie, although Sesay was eventually forgiven.

“Dennis ‘Superman’ Mingo, however, still smarting over the allegation that he had embezzled Le9 million from a 1997 diamond sale, played up Sesay’s loss, fomenting contention within the RUF ranks. In October 1999, he wrote to Foday Sankoh from Liberia, warning him that Sam Bockarie could not be trusted and that Sankoh’s life was in danger. He also said that Bockarie and his men had been squandering funds from diamond sales and that Bockarie had bought a house in Liberia and one in France.

“Shortly thereafter, a military confrontation occurred between forces loyal to Foday Sankoh and those loyal to Sam Bockarie.<sup>26</sup> Several combatants were killed. Sam Bockarie subsequently went into exile in Liberia, where he remains close to President Charles Taylor.

“Diamonds continue to cause friction. In September 2000, a dispute arose between Lt. Col. Victor, the Deputy Chairman of RUF Mining Ltd. and some of his associates: Major Bob Vandy, Staff Captain Koroma and Major Morry Gebaru. RUF Mining Chairman Abdul Razak undertook an investigation, which uncovered stories of diamond embezzlement by ‘Capt. Prince Khan’ and others who were in conflict with the Deputy Chairman, including ‘Lt. Col. Mustafa Sherriif’. This in turn raised the concern of Issa Sesay, who was at the time carrying out a wider investigation into all RUF financial affairs in Liberia.”<sup>27</sup>

The Panel had several sources of evidence for this section of the report. As noted in the report, we interviewed Chiefs from Kono District who were in regular touch with their people. We interviewed several individuals who had been part of the RUF, or who had been captured by the RUF. We saw statements taken by the police in May 2000 from people arrested after the shootings at Sankoh’s 56 Spur Road house in Freetown in May of that year.

One such statement was given by an “RUF Fighter” whose name has been omitted for reasons of privacy and safety – a Liberian who had once been a fighter in Taylor’s National Patriotic Front of Liberia (NFPL). He worked closely with Mike Lamin who had been, among other things, RUF Chief Intelligence Officer and AFRC/RUF

<sup>26</sup> Footnote added subsequent to the report: This incident took place in December 1999. It is recounted in Gberie, Lansana, *A Dirty War in West Africa: The RUF and the Destruction of Sierra Leone*, Indiana University Press, Bloomington, 2006.

<sup>27</sup> Details on the sources used by the UN Panel are contained in the following pages.

Minister of Trade, Industry and State Enterprise. The RUF Fighter describes his travels before that time with Lamin from Liberia to the RUF and “Burkina rebel base” at Buedu.

In another statement, another individual whose name has been omitted for reasons of privacy and safety, and who described himself as “unemployed”, tells of his time with the RUF and their “looting sprees”. He had been told he would be taken to Kono, “where we shall be engaging on mining for the RUF.” And he talks of the RUF leadership: “General Issa Sesay is the person responsible for the purchase of arms and ammunition for the RUF. He normally buy arms and ammunition for the RUF through President Charles Taylor on batta [barter] system. When Issa Sesay takes our diamonds to President Charles Taylor, he in turn supply him with arms and ammunition for the RUF.”

A third individual whose name has been omitted for reasons of privacy and safety tells of being a young diamond digger when he was captured by the RUF in 1991. He soon joined them and rose to become Foday Sankoh’s radio operator in the house on Spur Road. He speaks of being wounded early in his career and being taken to Liberia for treatment where he was subsequently trained by the NFPL.

Many of the people we interviewed in person told similar stories about the easy movement between the RUF headquarters in Buedu and Liberia, and how many of the top RUF leaders maintained their families in Liberia.

An important source of information for the UN Panel was a series of written reports made by the top RUF commanders to Foday Sankoh after his return to Sierra Leone from Nigeria in 1999. These reports, written in August and September 1999, were among the papers found in Foday Sankoh’s house at 56 Spur Road. Among the authors were Sam Bockarie, Issa Sesay, Francis Musa and someone who signed himself “The Black Revolutionary Guards”. The reports cover, from different perspectives, the fall of the AFRC, the discovery that AFRC leader Johnny Paul Koroma had concealed diamonds from the RUF as they helped him to escape, the loss of a parcel of diamonds by Issa Sesay, and internal ructions among Sam Bockarie, Issa Sesay, Denis Mingo (“Superman”) and Col. Rambo, who had been killed in an intra-RUF fire-fight in Makeni.<sup>28</sup>

From the UN Panel’s point of view, these lengthy reports were interesting not so much because of the descriptions of particular incidents, but because of the light they shed on other RUF movements, the acquisition of weapons, the use of diamonds and the connections with Liberia.

Sam Bockarie, “Battle Field Commander”, tells the story about Issa Sesay losing diamonds: “Diamond mined from Kono were given to Brigadier Issa in order for him to make contact and delivery to *a business associate of yours* [emphasis added]. At the transit point...”<sup>29</sup> Sesay discovered that he had lost the diamonds. In his report,

<sup>28</sup> See Annex 5 for a list of names and aliases.

<sup>29</sup> “Salute Report” from Major General Sam Bockarie to “The Leader of the Revolution, RUF S/L”, 26 September 1999

Sesay<sup>30</sup> mentions “Michael Comber of the mining unit” who had reported with a parcel of diamonds. “The parcel was placed in my care by General Mosquito [Bockarie] with instructions to move with it to the transit point where I would be met by General Ibrahim<sup>31</sup> and together we were to travel to *a business associate of the Leader* [emphasis added] for arrangements and procurement of Military Equipment.”<sup>32</sup> Sesay writes about Bockarie leaving on a trip to “secure materials for the Movement and on his return I was issued a liberal quantity of ammunition and instructed to cross the Moa River and recapture Kono from the enemy” – which he did.

Major Francis Musa recounts the same stories<sup>33</sup> and says, in passing, “Since in RUF/SL diamonds and foreign currency are government properties, authorities decided to collect diamonds and foreign currencies in possession of individuals so that they could be used in the interest of the movement with priority to arms and ammunition.”

The “situation report” of the Black Revolutionary Guards is more detailed and less guarded, covering the same ground and more.<sup>34</sup>

“Immediately Freetown and the provincial Headquarters fell in the hands of ECOMOG, the High Command [Bockarie] was call to report by the President of Liberia Mr Charles Taylor wherein the President seriously briefed the High Command and gave him the confidence that he should not give up... The President gave full assurance to the High Command and promise to give maximum support to the RUF. The President also took an oath that he will never betray his brother (Foday Sankoh). From that point, the President gave huge quantity of logistics (Ammunition) to the High Command for us to start repelling the ECOMOG advancement.” [Note: square brackets are my additions; round brackets are in the original]

The Black Revolutionary Guard then recounts the story of Bockarie discovering that Johnny Paul Koroma had concealed diamonds from the RUF during his flight from Freetown:

“After the searching, lots of large quantity of diamonds was taken from JPK and his body guards. Later, the parcels of diamond was given to Mr. Ibrahim (General) and Sister Memunah for them to travel with the parcels directly to President Taylor. [Illegible] to this development, the High Command [Bockarie] was able to receive the first satellite phone from General Ibrahim which he was use to do some important contacts with. After General Ibrahim returned back to Burkina Faso, the High Command also received a good carriage of diamond from Kono.”

The Black Revolutionary Guard report makes other references to Charles Taylor: “President Taylor continues to give helping hands with logistics and materials. The

<sup>30</sup> “Salute Report” from Brigadier Issa H Sesay, Battlefield Commander RUF/SL to “The Leader of the Revolution”, 27 September 1999

<sup>31</sup> This is Ibrahim Bah, noted above

<sup>32</sup> Certainly the “transit point” refers to the Liberian border, and the “business associate of the Leader” whom they both refer to is identified in a subsequent report as Charles Taylor.

<sup>33</sup> “Brief Comprehensive Report” from Major Francis M. Musa, District IUD Commander, Kailahun, to Cpl. Foday Saybana Sankoh, RUF/SL, 31 August 1999.

<sup>34</sup> Situation Report from “The Black Revolutionary Guards” to “The Leader”, date unclear; *circa* end September 1999.



High Command was call in every month to report to Monrovia for briefing.... In October [1998] the High Command was again call by President Taylor. We therefore went along with him to Monrovia. The High Command was instructed by President Taylor to move to Burkina Faso to meet with the Burkina President.”

The Black Revolutionary Guard describes meetings in Burkina Faso with President Compaoré and Compaoré’s professions of support for the RUF. “On their return [to Monrovia] they were given huge quantity of materials for serious offensive to start a campaign for the release of our leader.” He then describes the plan to capture Kono District: “The said operation was given to the BFC [Battle Field Commander] Brigadier Issa Sesay. Huge quantity of material was given to the BFC and he immediately left for Kono.” The RUF subsequently overran Kono District and extended their thrust to Tonkolili, Makeni and Port Loko.

Dennis “Superman” Mingo wrote a different kind of letter to Foday Sankoh in October 1999, warning him that Sam Bockarie had turned against him and that his life was in danger.<sup>35</sup> “The men that General Bockarie is here in Liberia with are not to be trusted by you Sir. They have been used to squandering the funds from diamond sales and infact General Bockarie has a house in France and he has bought a house as well here in Liberia.” The warning of danger was valid. Two months later, in December 1999, a bloodbath took place at the RUF headquarters in Buedu. When it was over, eight of Bockarie’s men lay dead, reportedly by his hand. (see footnote 26, above) Bockarie fled and spent the next three years in Liberia, reportedly leading armed forays across the border into troubled Côte d’Ivoire.

Some of these stories about diamonds, weapons and the Liberian connection were confirmed to the UN Panel in personal interviews with others who had been close to the RUF. A Captain in the RSLAF<sup>36</sup> Military Intelligence (whose name has been omitted for reasons of privacy and safety) told the Panel that he had been captured by the RUF, and to save himself, “defected”. For a time he was close to Sam Bockarie and heard Bockarie using a satellite phone to discuss weapons and diamonds with someone named “Carlos”. Carlos, “who spoke with an accent”, said he planned fly to Monrovia and then come to Buedu. Carlos was said to have flown to Monrovia in a private jet and then made his way as far as Gbanga, Charles Taylor’s up-country headquarters, where there was an exchange of diamonds and military equipment. He was uncertain of the date, but it would likely have been some time in 1998.

The Revolutionary Guards report also mentions “Carlos”: “Another development is that one businessman from Cuba by the name of Carlos offered the movement one FM radio station, and the station itself has being built up a hill in Dodo Kotuma.”<sup>37</sup>

These two references to “Carlos” suggested a link in the diamonds-for-weapons chain, and the UN Panel went to considerable lengths to discover the man’s identity. In the end, we were not successful, and so this name did not appear in our report.

<sup>35</sup> Letter from Dennis “Superman” Mingo, Brigadier, RUF/SL to “H.E. Chairman Foday S. Sankoh, Vice President, Republic of Sierra Leone”, 1 October 1999.

<sup>36</sup> Republic of Sierra Leone Armed Forces

<sup>37</sup> Dodo Kotuma is a town about ten kilometres from Buedu, on the road to Kailahun.

“Carlos”, however, was later identified in a 2003 Global Witness report. He is a Lebanese citizen named Mohammed Jamil Derbah who had, with a large clan of relatives in the Canary Islands, developed a lucrative criminal and gun running operation, connected, in part, to Russian mafia operations in southern Tenerife.<sup>38</sup> Russians shipped weapons to the Canaries, and Derbah sent them on to Africa. According to the Global Witness report, by the late 1990s, Derbah had become a purveyor of arms to Charles Taylor, and was selling diamonds out of Spain. According to Spanish police, Derbah’s weapons shipments included automatic rifles, assault rifles, sub-machine guns, pistols, revolvers and ammunition. Derbah also ran a lucrative time-share fraud, along with extortion, credit card forgery, and money laundering said to be worth over \$10 million a year at its peak. Derbah was arrested in the rush to capture al Qaeda suspects in the immediate post-9/11 worldwide police crackdown. His arrest came in the wake of a two-year investigation into his criminal activities and an alleged connection with Hezbollah and the pro-Syrian Shi’ite AMAL faction in Lebanon – a connection later denied by Hezbollah. Derbah was subsequently named in a UN Security Council report at the end of 2002 for alleged links to al Qaeda.<sup>39</sup>

The UN Panel was given a variety of information by the security services of different countries. For example, we learned that with regard to Liberian President Charles Taylor’s military support to the RUF, in July 2000, Liberian Minister of Defense Daniel Chea arranged for four crates of DA-7 shoulder-fired missile systems to be flown to Kailahun, Sierra Leone by an Mi-8 civilian transport helicopter. The report also said that Chea had frequently arranged truck shipments of small arms from Roberts International Airfield to a military staging area at Camp Schefflein,<sup>40</sup> when, on at least two occasions Mi-8 helicopters had loaded arms for delivery, via Foya, to RUF-controlled territory.

The UN Panel had other sources of confidential information from security services that were, and remain, confidential. These included transcripts of radio intercepts of communications between RUF commanders in Sierra Leone and Liberia. Much of the traffic at the time was about logistical matters and calls for weapons and ammunition during the RUF attack at Pamelap on the Guinea border, but there was, again, background information about diamonds and diamond shipments, and allegations of diamond embezzlement within the RUF.

Building on the UN Panel Report, the British NGO Global Witness conducted an extensive investigation into al Qaeda links to the international diamond trade. Their 2003 report, *For a Few Dollars More: How Al Qaeda Moved into the Diamond Trade*, was based to a large extent on Belgian police information and named informants within the Antwerp diamond industry. It contains wide-ranging additional information about the people and events discussed in our UN Panel Report. It also provides extensive details of weapons and diamond transactions in Monrovia during 2000 and 2001, involving Issa Sesay, “Abrahima” Bah and Charles Taylor.

<sup>38</sup> Global Witness, *For a Few Dollars More*, London, April 2003, pg. 44

<sup>39</sup> Third Report of the Monitoring Group Established Pursuant to Security Council Resolution 1363 (2001) and Extended by Resolution 1390 (2002), 17 December 2002

<sup>40</sup> Camp Schefflein is located 35 miles east of Monrovia. The name is also spelled Scheiffelin and Schieffelin.

## 6 How Diamonds Were Moved Out of Liberia

The huge volume of Liberian diamond imports to Belgium pre-dated Charles Taylor. Smuggling to Liberia pre-dated Charles Taylor. The inherent criminality in the diamond industry pre-dated Charles Taylor. But these were all ready-made avenues for a criminal enterprise that went far beyond theft for personal gain; an enterprise that waged two wars for the better part of a decade.

In 2000, the Government of Liberia drafted the Strategic Commodities Act, which empowered the President to declare any commodity a strategic one. The act then stated that

The president of the Republic of Liberia is hereby granted the sole power to execute, negotiate and conclude all commercial contracts or agreements with any Foreign or Domestic Investor for the exploitation of any of the Strategic Commodities of the Republic of Liberia.

It is not clear if the act was passed into law. The vagaries of the Liberian legislature at that time are difficult to follow and records are sparse. Its intent was clear, however: to give the president *de jure* powers that he already had in a *de facto* sense: full control over all strategic commodities – including diamonds, which were specifically mentioned. (See Annex 7 for the text of the legislation.)

Whether the act was passed or not, it would have been a simple matter to hand-carry undeclared diamonds from Liberia to any other country, and many were undoubtedly moved that way – by couriers, smugglers, *Marakas* and others. The problem in major recipient countries, however – despite the lack of international controls – was that legitimate enterprises had to produce audited financial statements, they had to pay taxes, and they had to be able to show the origin of their rough diamonds. For this they needed invoices and import documents.

Many of the diamonds recorded by Belgian customs as having come from Liberia never actually entered Liberia. The Panel obtained copies from the Belgian government of invoices from eight companies exporting diamonds from Liberia to Belgium. A physical check on their street addresses in Monrovia revealed that there were no such companies at the listed addresses. Courier firms in Monrovia had been instructed to re-route mail addressed to these companies to the International Trust Company (ITC), which in January 2000 changed its name to The International Bank of Liberia Ltd. From there, mail was forwarded to the Liberian International Ship and Corporate Registry, which handled the Liberian Maritime Registry.

Sanjivan Ruprah, an international arms dealer of Kenyan origin, traveled at this time using a Liberian diplomatic passport in the name of Samir M. Nasr. The passport identified him as Liberia's Deputy Commissioner for Maritime Affairs. Ruprah also carried out work on behalf of the Liberian Civil Aviation Regulatory Authority and was said to have been associated with Branch Energy, a company that had interests in Sierra Leonean diamonds.<sup>41</sup> The Panel learned from security services that in Spring 2000, Ruprah entered into an agreement with Taylor to provide Monrovia with arms, helicopters and helicopter spare parts in exchange for diamond purchasing.

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<sup>41</sup> For more on Ruprah, see the UN Panel report, paras 224-6

It was, therefore, a simple matter for anyone wanting to legitimize stolen diamonds, to launder them “through” Liberia, and/or through a network of individuals closely associated with weapons trafficking, and the plethora of false identities, false companies and false invoices they had created.

These conditions made the export of those diamonds that actually did enter the country from Sierra Leone (or anywhere else for that matter) easy to dispose of. It also provided an inadvertent level of deniability, because the volume entering Belgium was so much higher than anything Sierra Leone or Liberia could ever produce themselves. In the UN Panel report, we said that “Liberian officials thrive on their country’s reputation for weak administration, its crippled infrastructure and its ‘porous’ border.” Charles Taylor told the panel himself that some RUF diamonds were probably going through Liberia, but “not officially”. He too spoke of the “porous borders” (see Annex 2).

All of this changed with the adoption of Security Council Resolution 1343 of March 7, 2001. This resolution halted the trade in all rough diamonds from Liberia, whether produced there or not, effectively closing down the umbrella under which diamonds – real or fictional – could claim Liberian provenance. Official imports from Liberia to all UN member states, effectively ceased.

After this date, any diamonds emanating from Liberia would have been smuggled, although as noted above, this would not have been difficult. It was not until the effective implementation of the Kimberley Process Certification Scheme (KPCS) in mid 2003 that a more rigorous set of controls and reporting came into effect. By then, however, the RUF was defunct, and Charles Taylor was nearing the end of his time as President of Liberia.

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## Annex 1

**Excerpt from *The Heart of the Matter: Sierra Leone, Diamonds and Human Security***

*This excerpt details the descent into criminality of the Sierra Leone diamond industry in the 1970s and 1980s*

[President Siaka] Stevens' populist rhetoric clearly emboldened illicit miners and transformed their criminality into an ideological battle. With defence of their illicit activities by a major politician, miners began to regard SLST as a predator, and a hated foreign predator at that. Soon after Stevens became prime minister in 1968, illicit mining, once largely subdued, again became a serious menace for SLST...

The situation became so intolerable that by 1970, SLST abandoned all prospecting efforts, because anything it discovered was soon likely to be stolen. This played into Stevens' hands: the Prime Minister was eager to gain direct control over SLST's rich holdings, and he exploited SLST's frustrations to achieve his ambition. In addition, from his earliest years in office, he was linked to criminal or near-criminal elements. On November 3, 1969, SLST's monthly haul of diamonds, valued in Sierra Leone at US \$3.4 million, was stolen at gunpoint as it was about to be flown out of the country at Hastings airport. The theft was professionally executed and the thieves were never caught. Attempts to prosecute a few suspects ran into serious difficulties: potential witnesses were spirited out of the country by the police, the judiciary was curiously disinterested, and the case was eventually dropped. It was rumoured in Freetown that Stevens and a Sierra Leonean-born Lebanese businessman Jamil Said Mohamed (well-known simply as Jamil) had masterminded the theft. Jamil's chief rival, another Lebanese named Hanneh Shamel, was expelled from the country for alleged links to the thieves; the stolen diamonds were allegedly sold in Europe for US \$10 million and Jamil emerged as a major player in Sierra Leone's diamond industry.<sup>42</sup>

In 1971, Stevens announced the formation of the National Diamond Mining Company (NDMC) which effectively nationalized SLST... To ensure that he had a reliable front man in the new arrangement, Stevens arranged for Jamil – who in 1959 had been sentenced to six months in jail for unlawful possession of diamonds – to take over 12 per cent of the government's shares. SLST's diamond shipments dramatically declined soon after. With Stevens' active participation, Jamil's men were stealing and smuggling as much as they declared.<sup>43</sup> From a high of over two million carats in 1970, legitimate diamond exports dropped to 595,000 in 1980 and fell to only 48,000 carats in 1988...

In 1984, SLST sold its remaining shares to the Precious Metals Mining Company (PMMC), a company controlled by Jamil, and in 1986, PPMC terminated its management of the NDMC on grounds that it was no longer viable... Stevens retired in 1985, handing over power to Major-General Joseph Saidu Momoh...

With the collapse of the NDMC, formal sector diamond mining became less and less important, and wage-earning virtually ceased... [Momoh's] government was dominated by leftovers of Stevens' discredited regime. The Government Gold and Diamond Office's (GGDO) first chairman, for example, Joe Amara Bangalie

<sup>42</sup> See Harbottle, M., *The Knives of Diamonds*, Seely & Co., London, 1967

<sup>43</sup> Koskoff, David, *The Diamond World*, Harper Collins, New York, 1981, pp. 89-90

(who doubled as minister of Finance, Economic Planning and Development), was a long-time Stevens minister, with a reputation for extravagant corruption. Not surprisingly, Bangalie soon brought Jamil back as key player in the GGDO. In January 1986, Bangalie announced that the new GGDO had accepted a loan of 100 million leones (about US \$25 million) from Jamil to help run it. The diamond office was now to rely on the 'professional competence' of the Lebanese mogul for its operation.<sup>44</sup>

Up to the early 1970s, the informal diamond industry was dominated by two Lebanese communities – Maronite Christians and Shi'ite Muslims... From the late 1970s to the early 1990s, aspects of Lebanon's civil war were played out in Sierra Leone. Because all Lebanese militia needed financial assistance, Sierra Leone's diamonds came into play as a kind of donor base or informal tax on behalf of one faction or the other. This was of great interest to Israel, not least because part of the Sierra Leonean Shi'ite community actively supported the Amal faction, which on the one hand fought against Israel's greatest enemy, Hezbollah, and on the other was Syria's main ally against Israel. It could not have been lost on Israel that the leader of Amal, Nabih Berri, had been born in Sierra Leone and was a boyhood friend of Jamil, the most influential man in the country's diamond business.

It was largely through Berri that Iran became interested in Sierra Leone, building a large cultural centre in Freetown and making the country its main base in West Africa, to the further discomfort of Israel, which had been trying unsuccessfully to restore ties with Sierra Leone, broken during the Arab-Israeli war of 1967... Lobbyists for Israel began actively to prod Momoh towards stronger ties with Israel and to end Lebanese dominance. In 1987, President Momoh announced that he had foiled a coup plot involving Jamil, his own Vice-President Francis Minah (a close associate of Jamil) and a few lower ranking soldiers and police. Minah was tried for treason and hanged. Jamil, who was out of the country at the time, remained in self-exile for the duration of Momoh's tempestuous regime.

The foiled 'coup' allowed Momoh to create his own partnerships, and Israel, long anxious to get the Lebanese away from Sierra Leone's diamond wealth, came in handy. One of the first to arrive was the Russian-born Shaptai Kalmanovitch and his Israel-based enterprise, the LIAT construction and Finance Company... Kalmanovitch's main interest was diamonds, and perhaps drugs... and it was discovered that Kalmanovitch was using Sierra Leone to circumvent the weapons, diamonds and gold embargoes on South Africa.<sup>45</sup>

While in Sierra Leone, Kalmanovitch brought in other money launderers, drug traffickers and arms dealers, all scrambling to gain access to diamonds. In 1986, Marat Balagula, considered the 'Godfather' of Russian mafia in Brooklyn, N.Y., found a safe haven in Sierra Leone and was known to be operating with Kalmanovitch. Balagula was considered one of the initiators of the Antwerp operations of the Russian mafia. He and Kalmanovitch became involved briefly in the importation to

<sup>44</sup> *Daily Mail*, Freetown, 22 January 1986

<sup>45</sup> 'Sierra Leone: The South Africa Connection', in *Africa Confidential*, September 17 1986. Also see 'Sierra Leone – South Africa: the Strange Story of LIAT' in *Africa Confidential*, June 24 1987. The story is also summarized in: Francois Misser & Olivier Vallée, *Les Gemmocraties: L'économie politique du diamant Africain* (Desclée de Brouwer Paris 1997) pp. 131-135. A brief outline of the Kalmanovich case can also be found in William Reno, *Warlord Politics and African States*, Lynne Rienner, Boulder, 1997, pp. 155-157 and in Jeffrey Robinson, *The Merger*, Simon and Schuster UK, London, 1999, pp. 115-6. Additional information on 'hot money' and international crime can be found in Naylor, R.T., *Patriots and Profiteers: On Economic Warfare, Embargo Busting and State-Sponsored Crime*, McClelland & Stewart, Toronto, 1999

Sierra Leone of gasoline, in a deal reportedly backed by a fugitive American businessman, Marc Rich, and guaranteed by the Luccheses, an old-time American crime family.<sup>46</sup>

Two others, Boris Nayfeld and Rachmiel 'Mike' Brandwain, both active in the Antwerp underground, met with Kalmanovitch and Balagula in Freetown in 1987. Brandwain at that time ran a small electronics store near the diamond district of Antwerp and was involved in tax-free export transactions with Eastern Europe. Before his trip to Sierra Leone, he had been released on bail for a gold smuggling deal between Luxembourg and London. He was also involved in M&S International, an intercontinental brokering and wholesale business allegedly involved in laundering and trafficking activities, including heroin trafficking and diamond smuggling. M&S maintained its headquarters in Belgium until the mid-1980s...<sup>47</sup> Brandwain's part in the story ended when he was shot to death in a parking lot in the centre of Antwerp, near the diamond district where he kept his headquarters.

Shortly after the Sierra Leone meeting, Kalmanovitch was arrested in London in 1987 on an American warrant. He stood trial in a case involving forged cheques and was released on bail six months later. Kalmanovitch was reportedly expelled later from the South African 'homeland' of Bophutatswana and arrested in Israel, where he stood trial as a spy for the Soviet Union...The fourth person at the Sierra Leone meeting, Boris Nayfeld, was released in 1998 from an American prison where he spent four years for his involvement in heroin trafficking between Thailand and New York. Prior to his arrest, Nayfeld had been living in Antwerp...<sup>48</sup>

A more credible and better organized Israeli company appeared in Sierra Leone soon after Kalmanovitch's arrest. The N.R. SCIPA Group, owned by Nir Guaz (known as 'The Skipper'), set up diamond buying offices in Freetown and Kenema, offering vastly improved prices for diamonds and in the process further marginalizing the capricious Lebanese dealers. SCIPA continued a LIAT enterprise, importing rice and machinery and selling it at low prices. A loan from SCIPA also helped Momoh settle some of the country's outstanding arrears with international donors. The IMF was so impressed with Momoh's apparent reforms, including further efforts to cut Lebanese interests out of the diamond business, that it offered half a billion dollars in assistance to the country in 1990. The relationship with SCIPA was a rocky one, however, with the company allegedly financing both legal and illegal diamond exports.<sup>49</sup> Despite considerable mining activity, the company exported only US \$6 million worth of diamonds in 1989, reportedly far below SCIPA's actual performance and considered to be something less than two per cent of national production.

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<sup>46</sup> Robinson, *op cit*, p. 115

<sup>47</sup> Allain Lallemand, *De Organizatsiya: De Russische Maffia van Antwerpen tot Brooklyn*. (Berchem/Antwerpen, EPO 1996) P. 308). Originally published under the title: *L'organizatsiya: La mafia russe a l'assaut du monde* (Paris, Editions Calmann-Lévy, October 1996).

<sup>48</sup> Walter de Bock and Georges Timmerman, 'Moord op Brandwain: Sporen Naar Alle Windrichtingen'. *De Morgen* (Belgian daily newspaper), July 22, 1998.

<sup>49</sup> Reno (1995), p. 163



**ANNEX 2****Notes on Meeting with President Charles Taylor,  
Ian Smillie****UN Expert Panel on Sierra Leone,  
Executive Mansion, Monrovia  
October 6, 2000**

**Present:** UN Expert Panel Members, John Kakonge – UN Resident Coordinator, President Taylor and other Liberians who were not introduced.

The meeting began at 12:15 p.m. and lasted about an hour.

The meeting was called by President Taylor at the end of the team's visit to Monrovia as a kind of "debriefing". We had previously met with the Ministers of Defense, Lands Mines & Energy, Commerce and Industry, Justice and others in the police, aviation, and transportation. We had also met with members of the Inter Faith Council, the Lebanese Cultural Union, journalists, diplomats and NGOs.

On the morning of the meeting, the *Monrovia Guardian* had run a negative story about our visit, with the headline 'Liberia Continues to Bear Burden of Proof: Accusers Fail to Fix Facts'. Mr. Kakonge took this as a bad sign and told us that the situation was very dangerous. He said that we should determine the mood of the President before we spoke. If he was in a bad mood, we would know it, and should not question him. If he was in a good mood, he would encourage questions.

On our way into the building we met the Minister of National Defense, Daniel Chea, leaving.

There were brief introductions with reporters and cameramen present, after which they left.

Taylor, sitting behind a large desk, was friendly and charming. He started with a denunciation of the United States in particular and all of his detractors in general, saying that everyone had wanted democratic elections in Liberia. Having been elected democratically, he was now being demonized, and Liberia was being ignored by donors. The US in particular was a major disappointment to Liberia.

This did not last long, and he seemed more disappointed than angry.

He then opened the discussion for questions. We only asked about five or six, because he gave long rambling answers that covered a lot of the ground we were interested in.

US Ambassador Charles Minor had told us earlier that US Under Secretary of State Thomas Pickering had met with Taylor on July 17, and had told Taylor that he personally had seen evidence that Taylor was trafficking in stolen diamonds. We raised this, and Taylor said that Pickering had not presented him with evidence of anything. This was "blatantly untrue".

We raised the question of diamonds, and asked what he made of Belgian customs data showing billions of dollars worth of diamonds originating in Liberia. He said “You tell me – that is why the UN has appointed you.” He said it was a mystery to him, and that getting to the bottom of it was in Liberia’s interests. He said that it was “highly probable” that the RUF was dealing in diamonds and that some went through Liberia, but “not officially”. He said that the borders were very porous. He said that some of the diamonds going through Liberia could be Russian diamonds. He complained that nobody was helping Liberia monitor diamonds. He also said that Liberia had more diamonds than Sierra Leone. He said that four kimberlites had been identified.

We asked him about a number of individuals who were of interest to us. He said he had never heard of Sanjivan Ruprah.<sup>50</sup> We asked about Nico Schefer.<sup>51</sup> Taylor said that Schefer had a criminal record, that when he came to Liberia, he was clean, but he then “went bad”. He said that Schefer was connected with a criminal group in the US. We asked about Fred Rindel, a South African who had reportedly trained RUF rebels in Liberia. He said that he had asked “Nigeria” and “Thabo Mbeki” for assistance in training the Liberian military. He said that Rindel was legitimately contracted to train the Liberian ATU (Anti Terrorism Unit). He asked why the RUF would need training – they had been fighting, after all, for nine years.

He said that he (Taylor) had been instrumental in the Lomé agreement; that he had taken Johnny Paul Koroma and Foday Sankoh to the meeting. He said that later there had been a disagreement between Sam Bockarie and Foday Sankoh, and that Kofi Annan had called him (Taylor) and asked him to help. As a result, he asked both of them to come to Monrovia, but he had failed to broker an agreement. He subsequently persuaded Bockarie to “walk away from it” and he had given Bockarie a place to stay so that he could remain away from Sankoh. Other than that, he was not providing the RUF with training, a staging base, weapons or supplies. Foday Sankoh was his friend he said, “and that explains a lot of things”, but he seemed to appreciate that Foday Sankoh’s time had passed (Sankoh was then in custody).

He then returned to the theme of military training and asked why he would have to train Sam Bockarie; Bockarie was already well trained. He returned to another earlier theme – the British and the Americans were deliberately destabilizing Liberia and were demonizing him (Taylor) over the issue of Fred Rindel’s training contract. Since he had assumed office, Liberia had received no US aid and no EC aid – there was a “serious campaign of vilification” against him.

We asked about Leonid Minin and the BAC111 aircraft that we had been researching. He said that Minin was “a strange character” who wanted to sell the aircraft to Taylor for use as a presidential jet. He said he had used it on a couple of trips in the region, but it was too costly. He said that it was an executive jet with no cargo capacity and could certainly not be used to transport weapons. On the subject of weapons, he said that he hoped we would recommend a lifting of the UN arms embargo on Liberia, as he badly needed weapons to defend Liberia against his own rebel movements.

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<sup>50</sup> Ruprah, an arms dealer, traveled using a Liberian diplomatic passport in the name of Samir M. Nasr. The passport identified him as Liberia’s Deputy Commissioner for Maritime Affairs.

<sup>51</sup> A South African who had gold and diamond interests in Liberia.

He said he had asked the US for planes to monitor Liberian airspace and Liberia's borders, and said that he had asked Kofi Annan for UN peacekeepers who could be posted on the Liberian side of the border. He said that UN peacekeepers were smuggling diamonds out of Sierra Leone and that we could not avoid dealing with this issue simply because they were peacekeepers.

In my notes I recorded a cryptic remark he made about Charles Breeze, who he said was a lieutenant of Roosevelt Johnson and who had been in jail since "the September fracas".<sup>52</sup> This man, he said, was not his agent for arms shipments. Taylor volunteered this name; it was not one we had enquired about and we did not meet him because he was in prison at the time.

We asked how peace might be achieved in Sierra Leone. He said that a transitional government might be the answer, that President Kabbah was "a victim of the process" and that a more neutral body was needed. He said that it was necessary to deal with all the combatants, not just the RUF. He said that an ECOWAS force was needed, especially in Kono District. It should not include Nigerians, however, who would trade in diamonds and sell arms to the RUF "the way they did to the NPFL".<sup>53</sup> There had to be a larger and more neutral force he said – "Mali, Liberia".

"Why wait six or nine months" he asked. "Suppose Foday Sankoh dies?"

We asked about UNAMSIL. "25,000 troops?" he said. "They can't do anything. Conventional forces will never defeat guerrillas."

He said that the threat of trials was preventing peace, especially when those concerned were armed and dangerous. "Will they give up only to be put on trial?" he asked.

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<sup>52</sup> In September 1998 there was a shootout near the US embassy between Johnson's forces and Taylor's troops. Some 50 people were killed. Charles Breeze, formerly Taylor's Presidential Affairs Minister, was arrested with 13 others and tried for treason in connection with the event. He was jailed for 20 years but Taylor released him in March 2003.

<sup>53</sup> Presumably a reference to the days when Taylor needed arms to prosecute his own rebel war in Liberia against ECOMOG forces led by Nigeria.

**ANNEX 3****Periods during which the RUF Controlled Kono District**

September/October 1992 – May/June 1993

Late 1994 – December 1995

May 1997 – Mid 1998

Late 1998 – Until Disarmament, end 2001

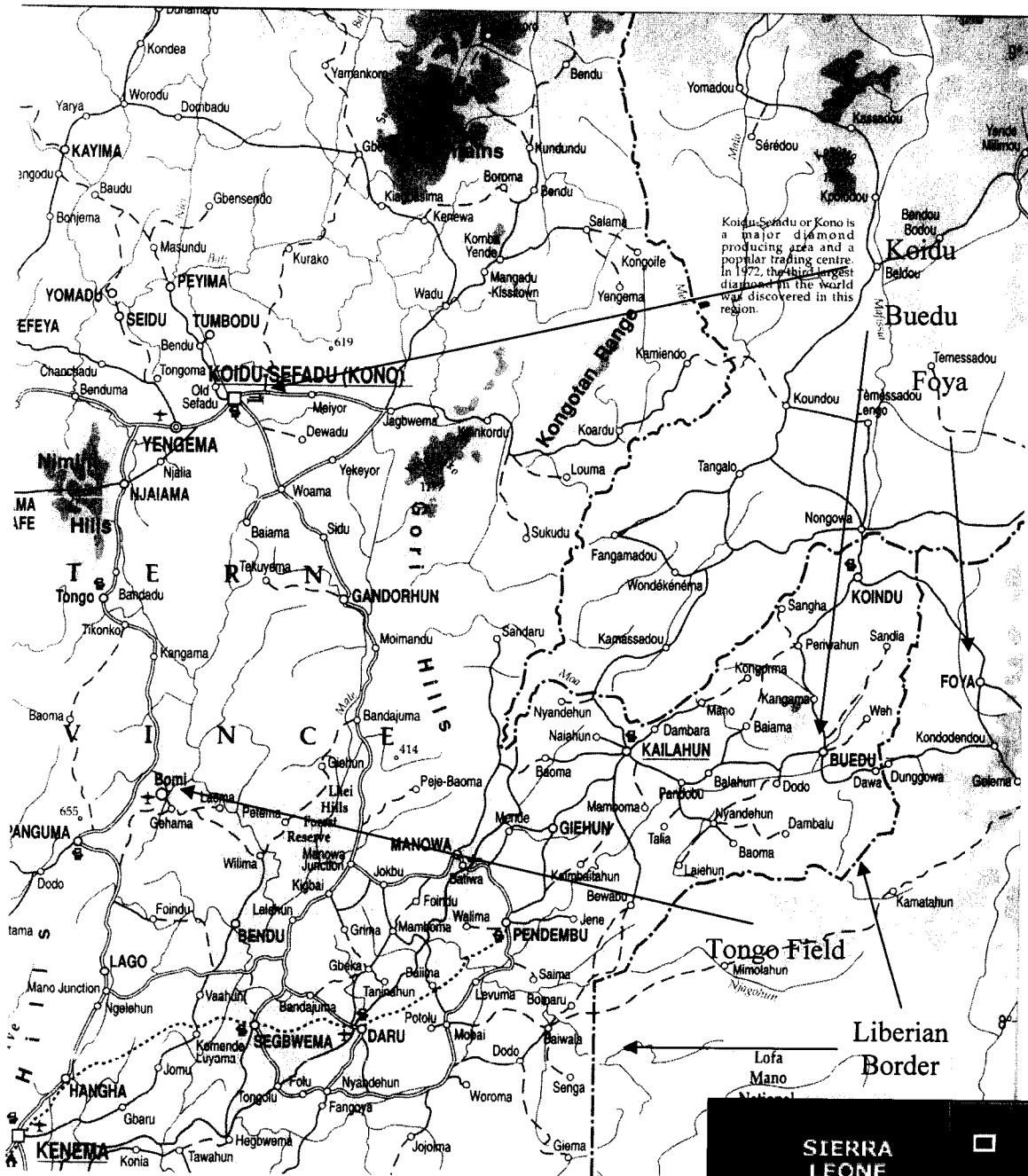
**Periods during which the RUF Controlled Tongo Field**

The RUF first attacked Tongo in January 1994 but did not hold the area, setting up a base camp about 10 km east. For two years they regularly attacked Tongo, often on a weekly basis. They controlled the area completely from mid 1997 until early 1998, capturing it again in January 1999 and then holding it until the disarmament at the end of 2001.

*All dates are approximate.*

ANNEX 4

Map Showing the Proximity of RUF Headquarters at Buedu to Foya in Liberia and the Diamond Areas of Koidu and Tongo Field (near Bomi)



Large map adapted from *Sierra Leone*, International Travel Maps, Vancouver; Inset from BBC

**RUF TITLES AND ALIASES**

Many of the RUF leaders were given, or gave themselves high-ranking military titles and nicknames or aliases. As many of them were known mainly by the latter, the UN Panel and this report occasionally used these as well as real names, where known. The following are the names of individuals appearing in this report.

Foday Saybana Sankoh, Chairman of the RUF, now deceased

General Issa H. Sesay, formerly Brigadier, then Battlefield Commander; then Interim Head of the RUF

Major-General Sam Bockarie (alias 'Mosquito'), former Battle Group Commander and 'High Command', now deceased

Brigadier Dennis Mingo (alias 'Superman'), Battle Group Commander, latterly Battle Commander, Lunsar Axis

Colonel Boston Flamoh or Flomoh (alias 'Rambo'); reportedly killed by RUF comrades in Makeni

Brigadier Mike Lamin, formerly RUF Chief Intelligence Officer; RUF/AFRC Minister of Trade and Industries

General Ibrahim Bah, a Burkinabe, possibly of Gambian origin; senior logistics expert in the movement of weapons and diamonds between Burkina Faso, Liberia and Sierra Leone. Also known as Abrahima Bah, Ibrahima Baldé and Baldé Ibrahima.

## ANNEX 6

## NOTES ON REPORTS WITH WHICH I HAVE BEEN ASSOCIATED

***The Heart of the Matter: Sierra Leone, Diamonds and Human Security, January 2000***

This report, co-authored by myself, Lansana Gberie and Ralph Hazleton, was researched and written between April and December 1999. It was released in January 2000. The research took one or more of the authors to London, Antwerp, Brussels, Toronto, Vancouver, Washington and several towns and cities of Sierra Leone. More than 100 interviews were conducted in the preparation of the report. There were two areas in the report that were somewhat misleading:

- Page 2: “*De Beers maintains a diamond trading company in Liberia and a buying office in Conakry, Guinea*” (also page 26): the buying office in Conakry was closed some time after Oct. 5, 1999 while we were researching our report, and we were unaware of the change when we went to press two months later, in January 2000. De Beers informed PAC that it had no office in Liberia for 15 years, although it reported a Liberian office (“Polestar”) in its 1998 Annual Report (pg. 103);
- Page 3: “*...De Beers’ Sierra Leone Selection Trust (SLST)...*” (and page 26 & 38): This gives the impression that De Beers owned SLST. The Sierra Leone Selection Trust was a subsidiary of Selection Trust Ltd., at that time one of the largest mining companies in the world, taken over in 1980 by BP. It was not owned by De Beers, although there were interlocking directorships, and for most of its history, SLST sold all of its diamonds to De Beers’ Central Selling Organization.

***United Nations, Report of the Panel of Experts Appointed Pursuant to Security Council Resolution 1306 (2000), December 2000***

The Panel was appointed in August and met first at UN Headquarters in New York. The Panel did not always travel together, sometimes breaking into smaller teams. Members visited Belgium, Burkina Faso, Côte d’Ivoire, France, Ghana, Guinea, Israel, Liberia, Nigeria, Sierra Leone, South Africa, Switzerland, Ukraine, the United Arab Emirates, the United Kingdom, and the United States. An estimated 300 interviews were conducted.

There are two errors that I am aware of in the report, and one worthy of an update:

- Page 16: “*Between 1996 and 1999... only 36,384 carats were exported [from Sierra Leone] officially*”: this number is incorrect. The total for these three years was 129,100 carats;
- Page 16, footnote: there is a typographical error: The AFRC took power in May 1997 and were forced from power in February 1998, not 1999;
- Page 18: “*... the RUF has been able to support 3,500-5,000 armed combatants...*”: This number may have been low. The DDR program demobilized more than 20,000 individuals who claimed to have been RUF

combatants. Despite their claims, however, these may not all have been combatants. In this report I use an estimate of 5,000 – 6,000.

With the exception of these updates and corrections, there is nothing to my knowledge that alters or refutes the findings in these reports.



**ANNEX 7****GOVERNMENT OF LIBERIA: STRATEGIC COMMODITIES ACT****AN ACT TO DESIGNATE CERTAIN NATURAL RESOURCES, MINERALS,  
CULTURAL AND HISTORICAL ITEMS AS STRATEGIC COMMODITIES**

WHEREAS, consistent with Article 7 of the Constitution of the Republic of Liberia, the Government is obliged to manage the economic and natural resources of Liberia in such manner as shall ensure the maximum feasible participation of Liberian citizens under conditions of equality so as to advance the general welfare of the Liberian people and the economic development of Liberia; and

WHEREAS, Article 22 of the Constitution guarantees the individual the right to own real property and limits said right only to that which is above the surface and therefore the Constitution provides that private property rights however shall not extend to any mineral resources on or beneath any land or to any lands under the seas and waterways shall belong to the Republic and used by and for the entire Republic; and

WHEREAS, Certain unscrupulous individuals and entity persistently and consistently, extracts, mine, exploited, sell and exports the strategic Commodities, Natural Resources and Minerals of Liberia without just compensations or benefit to the Republic of Liberia by evading custom, taxes and revenue collectors to the Economic, Political and social detriment of the nation.

Wherefore and in view of the above:

IT IS ENACTED BY THE SENATE AND THE HOUSE OF REPRESENTATIVES OF THE  
REPUBLIC OF LIBERIA, IN LEGISLATURE ASSEMBLY

**Section 1.** Title. This Act may be cited as the Strategic Commodities Act.

**Section 2.** Definition: Immediately upon passage of this Act, strategic Commodities as used herein this Act, hereby defined and referred to as Natural Resources, Minerals, Cultural and Historical items which are of vital importance to the Nations' Economic, Social, Political and Cultural values and well-being of Liberia. Accordingly, the Strategic Commodities of Liberia include among others, the following:

- (a) All mineral resources particularly, gold, diamond, hydrocarbon and any other finite Natural Resources Deposit such as, Natural Gas, precious mineral, metals and stones, now discovered or to be discovered in the future, which have economic and commercial value; and may be marketable domestically and internationally.
- (b) All Natural Forest Resources particularly forest products such as Logs and Timbers and other unique and rare species of vegetation and tree common and indigenous to Liberia.
- (c) All unique and rare sculpture, Arts and Artifact, Handiwork and Hand Crafts of historical, cultural, social, spiritual and economic value to the Republic of Liberia.
- (d) All food and agriculture products, such as rice, coffee, cocoa, rubber and sugar, marine life as well as rare and unique species of wildlife and fishery such as fish, animal and birds indigenous to Liberia.
- (e) The appropriate and applicable statutes, regulations, special agreements or guidelines now in effect or which may hereafter be promulgated shall govern the exploitation, sale or export

of any strategic commodity. In all instances, whether by special agreements, statutes, regulations or guidelines, the exploitation, sale or export of any strategic Commodity must confirm to Section 4 of this Act.

**Section 3. Empowerment:** The president of Liberia is hereby empowered to declare and designate from time to time, when deemed fit and necessary, any Natural Resources of Liberia, in addition to the forestalled resources herein declared, by this Act, as Strategic Commodities. When a commodity is declared by the president as Strategic Commodity, such declaration shall conform to and be consistent with, domestic laws and regulations; and shall not otherwise impair or adversely affect existing agreements or rights granted by an Act of the Legislature up to the date of expiration of said rights or agreement.

The president of the Republic of Liberia is hereby granted the sole power to execute, negotiate and conclude all commercial contracts or agreements with any Foreign or Domestic Investor for the exploitation of any of the Strategic Commodities of the Republic of Liberia. Such commercial agreement shall become effectively binding upon the Republic as would any treaty to which the Republic is a party, upon the sole signature and approval of the president of the Republic of Liberia.

**Section 4. Declaration:** Immediately upon passage of this bill, strategic commodities as defined and referred to above, such as Gold, Diamond, Forest Products and other Natural Resources which provide substantive Economic, Social, Political, Spiritual and Historical benefits to the Nation and people of Liberia, are hereby declared, Strategic Commodities and property of the Nation and people of Liberia and are protected as such by this Act and other applicable statutes.

**Section 5. Classification:** Strategic commodities are hereby divided and classified into four categories:

- (i) Natural mineral Resources: (Metal, Stones, Gas and Hydrocarbon)
- (ii) Forest Products (Logs, Timbers, Scientific plants and Wildlife)
- (iii) Agriculture and fishery products (Coffee, Cocoa Rice, Rubber, Palm oil, Shrimps, fish and piassawa)
- (iv) Arts and craft including sculptures, paintings and traditional handcrafts

**Section 6. Exploitation, Scale or Export of Strategic Commodities handcraft:** The appropriate applicable statutes, regulations, agreements or other guidelines now in effect or which may hereafter be promulgated shall govern the exploitation, sale or export of any strategic commodity.

Anything to the contrary notwithstanding, in order to meet and encourage domestic industrialization and industrial and personal demands for raw material, development and growth, as the case made be, export and or exploitation shall be allowed only after the domestic demands and or quota have been met or fulfill.

In any and all instance, permit to export and or exploit any and all strategic commodities shall be granted only if the industrial requirement for manufacturing, refinement and processing the raw products into finish or value added products and personal domestic consumption are met or fulfill. In the instance there is domestic industrial demand and or domestic consumption demand, all domestic demands shall have first preference and the right of first refusal or choice to buy at competitive world or domestic market price, whichever is lower; prior to export or the granting of any export or exploitation permit. The Republic of Liberia shall have the right to require all persons or companies engaged in the exploitation of the Natural Resources of Liberia hereto declare declared and called strategic commodities, to construct

such factory or industry to process the raw material of the strategic commodities, into finish or semi- finish or value added products.

**Section 7. Penalty:** A person or entity who violates any provisions of this Act, or violate any of the applicable rules and regulations governing or appertaining to said commodity has committed Economic Sabotage, a first degree felony, if he/she or it illegally conduct any business dealing in any of the Natural Resources designated and declare as Strategic commodities of the Republic of Liberia. A Violation of this act or any applicable rules or regulations governing the strategic commodities of the Republic of Liberia is punishable under Chapter 15, Sub-Chapter F Economic Sabotage, as provided in the Panel Law of Liberia.

For the purpose of prosecution under this Act or the panel Code of Liberia, illegal business dealing in any of the strategic Commodity shall mean and include among other:

- (a) The prospecting, Mining, Exploitation, Selling and buying Natural Mineral such as Gold, Diamond, Copper, Petroleum and Stones or Hydrocarbon without proper license and clearance from the authorized agency of government.
- (b) The unauthorized Cutting, Sawing, and Selling of Timbers, Logs and other forest products; as well as Buying, Hunting Exporting and selling protected birds and wildlife of Liberia.
- (c) The marketing including the Exportation and importation of Agriculture commodities such as Coffee, Cocoa, Rice, Rubber and vegetable oil without proper license and permit from the authorizing agency of government;
- (d) Trading and exporting out of Liberia, the Historical Arts and Handicrafts of Liberia.

**Section 8. Effective Date:** This act shall come immediately into effect upon passage by the Legislature and subsequent publication into Handbills.

**Source:** Global Policy Forum:

<http://www.globalpolicy.org/security/issues/liberia/report/gwupdate.htm#act>