

PRESS RELEASE

Embargoed until 9:00 AM GMT Wednesday, August 4, 2004

Groups File Complaint With State Department Against Three American Companies Named in UN Report

Allegations of Complicity in Fueling Civil War in Democratic Republic of the Congo

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Friend of the Earth-United States (FoE) and the UK-based group Rights and Accountability in Development (RAID) filed a formal complaint with the U.S. State Department today against three American companies. In October 2002, a United Nations (UN) Panel of Experts accused the companies of helping to fuel the war in the Democratic Republic of the Congo (DRC).

The Panel named Cabot Corporation, Eagle Wings Resources International and OM Group, Inc. as having violated the Organization for Economic Cooperation and Development's (OECD) "*Guidelines for Multinational Enterprises*," a set of international standards for responsible corporate behavior.

FoE and RAID filed an official complaint today because the State Department, which has oversight for determining whether U.S. companies have breached the OECD Guidelines, has declined to undertake an independent investigation into whether these companies might have contributed to the war in the DRC.

"If the State Department refuses to conduct an independent investigation, a troubling message will be sent to U.S. companies. They'll know that they can get away with helping to finance violent conflict and human rights abuses without any repercussions," said Colleen Freeman, policy analyst with Friends of the Earth. "We ought to know whether American companies contributed to one of Africa's deadliest wars so it doesn't happen again."

The Panel's three-year investigation found that sophisticated "elite networks" of high-level political, military and businesspersons, in collaboration with various rebel groups, intentionally fueled the conflict in order to retain control over the country's vast natural resources. The Panel implicated many Western companies for directly or indirectly helping to fuel the war.

In its final, October 2003 report, the Panel said that no further investigation was required into the activities of Cabot, Eagle Wings and OM Group. But the Panel did make clear that "resolution should not be seen as invalidating the Panel's earlier findings with regard to the activities of these actors."

"Now that a formal complaint has been submitted, the U.S. government, as a signatory to the OECD Guidelines, is obligated to examine whether breaches have occurred," said Patricia Feeney, director of RAID. "Clearly there are many unanswered questions that the State Department must examine. The conduct of the U.S. companies has to be measured against internationally agreed standards in a transparent process – not behind closed doors."

Boston-based **Cabot Corporation** allegedly purchased coltan from the DRC during the war. While Cabot has denied these allegations, a report by the Belgian Senate states that Eagle Wings Resources International had a

long-term contract to supply Cabot with coltan. Current Deputy Director of the Department of Treasury, Samuel Bodman, was CEO and Chairman of Cabot from 1997-2001.

Trinitech Holdings is the holding company for Ohio-based companies, Eagle Wings Resources LLC and Trinitech International, Inc. **Eagle Wings Resources International** (EWRI) is a joint venture between Dutch company, Chemie Pharmacie Holland BV (CPH) and Trinitech Holdings. The Panel asserts that EWRI received privileged access to coltan sites and captive labor because of its close ties to the Rwandan military. The Panel has accused the Rwandan regime of mass-scale looting, systemic exploitation, and the organization of an elite network centrally located in the Rwandan Defense Department, set up specifically to exploit the DRC's natural resources.

Ohio-based **OM Group's** joint venture with a Belgian national, George Forrest, *Groupement pour le Traitement des Scories du Terril de Lubumbashi, Ltd. (GTL)* is accused by the Panel of deliberately ignoring technical agreements that provide for the construction of two electrical refineries and a converter for germanium processing in the DRC from the "Big Hill" project. Instead, semi-processed ore from the mine was shipped to OM Group's processing facility in Finland, thereby robbing the state mining company, Gécamines, of millions of dollars in revenue. At issue is whether the complex corporate structure was intended to deny Gécamines the benefits of the future sales of minerals with significant commercial potential at a time when the country was at war and there was no functioning government or mining ministry to protect the interests of Gécamines and by extension, the Congolese people.

Separate to the Panel's allegations concerning the Big Hill project, a recently released World Bank environmental report raised concerns about the exploitation of radioactive minerals from concessions owned by Gécamines, such as the Shinkolobwe uranium mine. There is evidence that *Societe pour le Traitement des Scories du Terril de Lubumbashi (STL)* – a company created by **GTL** in 1997 – processed radioactive minerals to obtain cobalt at the company's plant in Lubumbashi, which is situated close to a hospital. The Belgian Senate concluded that airborne and waterborne pollution could not be discounted. At issue is whether the measures in place at OM Group's plant in Lubumbashi were sufficient to prevent radioactive contamination of the Congolese workforce and whether the local population was exposed to unacceptably high risk of pollution from the operations of the plant.

"It has been nine months since the United Nations published the Panel's final report and so far the only serious attempt to respond to the Panel's allegations has been made by Belgian judges investigating money laundering and illicit arms transactions linked to the trade in coltan and diamonds by Belgian companies and banks. In South Africa, the courts have also started to uncover assets held in the names of senior Congolese political figures as a result of breach of contract lawsuits brought by businessmen against the DRC Government," said Feeney.

The basis for the complaints is RAID's report entitled "*Unanswered Questions: Companies, Conflict and the Democratic Republic of Congo.*"

To download the letter to the State Department, which elaborates further on the companies' activities, go to: <http://www.foe.org/new/releases/84drccomplaint.html>

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