

Swiss Gold Refiner Accused Of Abetting Congo War Via Money Laundering

11/04/2013



Gold! (Photo credit: Wikipedia)

The war in the Democratic Republic of the Congo has been a terrible ordeal, costing an estimated 6 million lives since 1997. Part of what funded the long conflict was gold mined illegally in the resource-rich Congo. So far the parties that have been sanctioned by the United Nations for illegal mining and exploitation of the gold have all been African.

Now the net has widened. The Swiss nonprofit TRIAL announced Monday that it was targeting a Swiss gold refinery part owned by Commerzbank and the Austrian mint for refining gold from the Congo. TRIAL said it filed a criminal complaint against gold refiner Argor-Heraeus SA, accusing the firm of refining 3 tons of gold ore pillaged from the Democratic Republic of the Congo between 2004 and 2005. TRIAL suspects Argor-Heraeus “of being guilty of the crime of laundering the proceeds of a major crime ... and handling goods pillaged during an armed conflict,” it said in a statement.

According to TRIAL, Argor-Heraeus knew, or at the least should have assumed, that these raw materials were the proceeds of pillage, which is a war crime. TRIAL is petitioning the Swiss criminal authorities to determine if Argor-Heraeus did indeed commit criminal acts.

The criminal complaint comes after nearly a decade of investigation. In 2004, the United Nations Security Council convened a group of experts to investigate illegal exploitation of natural resources in the Congo. The UN-appointed team, including a U.S. investigator named Kathi Lynn Austin, documented the role of several organizations and individuals involved in the pillage and smuggling of gold from the northeast region of the Democratic Republic of the Congo, including the UK company Hussar Services Limited, the Jersey (Channel Islands) company Hussar Limited, and the Swiss refiner Argor-Heraeus SA.

The UN team was able to show how gold mined in northeastern Congo was shipped to Uganda and then Switzerland to be processed into ingots so its origins would be concealed. TRIAL argues that Argor-Heraeus should have known the gold was pillaged from the Congo.

Argor-Heraeus denied the accusations in a statement released Monday. The refiner asserts that it was cleared of money laundering allegations by an investigation performed by the United Nations, the Swiss State Secretariat for Economic Affairs and the Swiss Financial Market Supervisory Authority.

The Swiss nonprofit TRIAL received significant help with its investigation from two U.S. parties. Following her work at the UN group, Austin garnered the support of the Open Society Justice Initiative (a nonprofit funded by billionaire investor George Soros) and continued to investigate Hussar Limited and Argor-Heraeus. Austin and the Open Society Justice Institute worked with TRIAL to collect documentation that led to filing the criminal complaint.

Now it is in the hands of the Swiss prosecutors to decide whether to pursue criminal money laundering charges against Argor-Heraeus. The refiner is owned partly by German company Heraeus, 26.5% by Commerzbank Int. of Luxembourg, and 24.3% by the Austrian Mint of Vienna.