



# Striking Gold

How M23 and its Allies are Infiltrating Congo's Gold Trade

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By Ruben de Koning and the Enough Team

October 2013



**enough**

The project to end genocide and crimes against humanity

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### COVER PHOTO

In this April, 2011 photo, two former National Congress for the Defense of the People, or CNDP, soldiers patrol a gold mine near Kaniola, South Kivu, Eastern Congo.

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## Executive summary

The M23 rebel group has taken over a profitable part of the conflict gold trade in the east of the Democratic Republic of the Congo, or DRC. It is using revenues from the illicit trade to benefit its leaders and supporters and fund its military campaign<sup>1</sup> by building military alliances and networks with other armed groups that control territory around gold mines and by smuggling gold through Uganda and Burundi. M23 commander Sultani Makenga, who is also allegedly one of the rebels' main recruiters of child soldiers according to the U.N. Group of Experts on Congo, is at the center of the conflict gold efforts.<sup>2</sup>

This report documents how Makenga and his former co-commander Bosco Ntaganda have led the M23 rebels to work with local armed groups in gold-rich territories to smuggle gold to Uganda via an M23-controlled border crossing, as well as to Burundi, where it is sold internationally. Much of this conflict gold then reaches markets in the United Arab Emirates, or UAE, before going on to banks and jewelers, which together make up 80 percent of global gold demand.<sup>3</sup>

Gold is now the most important conflict mineral in eastern Congo, with at least 12 tons worth roughly \$500 million smuggled out of the east every year.<sup>4</sup> The other main sources of revenue for armed groups—the “3T minerals” of tin, tungsten, and tantalum—have been steadily reduced due to global conflict-minerals reforms spurred by the U.S. Dodd-Frank financial regulation law,<sup>5</sup> but it is still relatively easy to smuggle gold. Limiting gold smuggling from eastern Congo must therefore become a priority for the international community.

M23 commander Makenga is taking over a gold-smuggling network that former co-commander Bosco Ntaganda built over several years. As military leader of the rebel National Congress for the Defense of the People, or CNDP, a forerunner of M23, Ntaganda in 2011 reportedly brokered several multimillion-dollar gold deals in Goma, DRC; Kampala, Uganda; and Nairobi, Kenya, between Congolese traders and overseas buyers. In 2012, Ntaganda led the newly created M23 as it broke away from the

Congolese army, in which its troops had been integrated as part of a peace deal.<sup>6</sup> During his time with M23 and in the shadow of the peace talks in Kampala between Congo's government and the M23, Ntaganda facilitated the transfer of an estimated 325 kilos of gold worth \$15 million to Kampala for sale, according to the U.N. experts.<sup>7</sup> Ntaganda admitted to the U.N. experts that he played a role in one deal in 2011 in Goma, but he never commented on his role in other deals he allegedly brokered.<sup>8</sup>

In March 2013, Ntaganda surrendered to the U.S. Embassy in Rwanda, where he requested to transfer to the International Criminal Court, or ICC, to face charges of war crimes. Since then, Enough Project's investigations with gold-trade insiders, Congolese civil and military authorities, and members of the Congolese diaspora communities in Kampala and Bujumbura show that Makenga is taking over Ntaganda's relationships with smugglers in Uganda. Makenga has also mobilized several other military and business players loyal to former CNDP leader Laurent Nkunda to create a business network entirely separate from Ntaganda, according to Enough Project investigations.

To capture a greater share of the gold trade, M23 has built alliances with individuals and armed groups that control large mines in eastern Congo. These include Sheka Ntabo Ntaberi of the Nduma Defence of Congo, or NDC, armed group in Walikale territory of eastern Congo—the alleged mastermind of the mass rape of more than 300 women, children, and men at Luvungi in 2010.<sup>9</sup> M23 has built ties with Justin Banaloki—whose alias is “Cobra Matata”—the armed leader who is based in Ituri District and was highlighted in the October 2013 *National Geographic*.<sup>10</sup> M23 is also associated with Congolese army defector and militia leader Maj. Hilaire Kombi in Beni and Lubero territories, according to U.N. experts and Enough Project research.<sup>11</sup> Traversing otherwise hostile ethnic and political divisions, these alliances are based partially on economic gain. Many of those who reap the greatest profits are also those most directly implicated in atrocities and crimes against humanity.

On the basis of recent Enough Project investigations and past research by the U.N. Group of Experts, this report identifies three main gold exporters that the Enough Project believes are enabling M23 and associated armed groups to profit from the gold trade by either running or using official gold export companies in Uganda and Burundi—all of which is in violation of the U.N. arms embargo:

- Rajendra “Raju” Kumar, who currently trades through Mineral Impex Uganda and formerly ran Machanga, Ltd.<sup>12</sup>
- Mutoka Ruganyira, who currently operates through Ntahangwa Mining in Burundi and formerly ran Berkenrode<sup>13</sup>
- Madadali Sultanali Pirani, who currently runs Silver Minerals in Uganda<sup>14</sup>



Additionally, a major Congolese exporter has reportedly been trading gold from mines controlled by the Democratic Forces for the Liberation of Rwanda, or FDLR, and other armed groups for several years, according to several U.N. Groups of Experts:<sup>15</sup>

- Evariste Shamamba, who currently runs Etablissement Namukaya and New CongoCom Airlines<sup>16</sup>

The international community has done very little to combat the sale of conflict gold effectively. None of the above-mentioned individuals, or the companies they currently run, face U.N., U.S., or E.U. sanctions. The only international sanctions against conflict gold companies were enacted in 2007, but the owners of the sanctioned companies immediately set up new gold-exporting businesses under different corporate names. Sanctions against the four exporters would make an important dent in the conflict gold trade, since they control a significant portion of the illicit trade.<sup>17</sup> Gold exporters generally claim to purchase their gold either domestically or in countries that are not under a U.N. arms embargo. The fact that a significant part of conflict gold trade enters the formal worldwide gold trade shows an urgent need to levy targeted international sanctions on the individual exporters—the beneficial owners of these businesses—who are complicit. In order to conduct and facilitate due diligence following guidelines established by the United Nations and the Organisation for Economic Cooperation and Development, or OECD, the international community should intensify pressure on companies, company owners, and their host governments that are importing and refining gold from the region.

While such sanctions are important to bring the illicit gold trade under control and further reduce sources of revenue for armed groups, the agony of eastern Congo will ultimately end when the key parties—Congo, Rwanda, and Uganda—reach a just, comprehensive peace agreement. The best hope for that is the process led by U.N. Special Envoy Mary Robinson, following the Peace, Security, and Cooperation Framework signed earlier this year.<sup>18</sup>

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## Recommendations

1. The U.S. government should work within the U.N. Security Council Sanctions Committee to add the names of the four individuals identified above to the list of individuals and groups that already face U.N. sanctions. Imposing sanctions on individuals, as opposed to companies, would help prevent sanctioned owners from merely reinventing themselves under a new company name in order to continue operations.
2. U.S. Special Envoy to the Great Lakes Russ Feingold should urge Uganda, Burundi, and the DRC to take action under their respective national laws against these exporters.

3. Jewelry retail companies should join the Public Private Alliance on Responsible Minerals Trade and should set up closed-end pipeline “Solutions for Hope for Gold”<sup>19</sup> projects to source conflict-free gold directly from mines in eastern Congo, analogous to the Motorola Solutions-led “Solutions for Hope”<sup>20</sup> and the Philips-led “Conflict-Free Tin Initiative” projects.<sup>21</sup>
4. The U.S. government should urge the UAE to tighten regulatory controls for gold imports through verification of the authenticity of export documents, as well as verification of the importers of the gold.
5. U.N. Envoy Mary Robinson and U.S. Envoy Russ Feingold should work with the governments of the DRC, Rwanda, and Uganda to finalize the International Conference of the Great Lakes Region certification process—the Independent Mineral Chain Auditor—which is designed to investigate fraud and sanction conflict-minerals exporters.

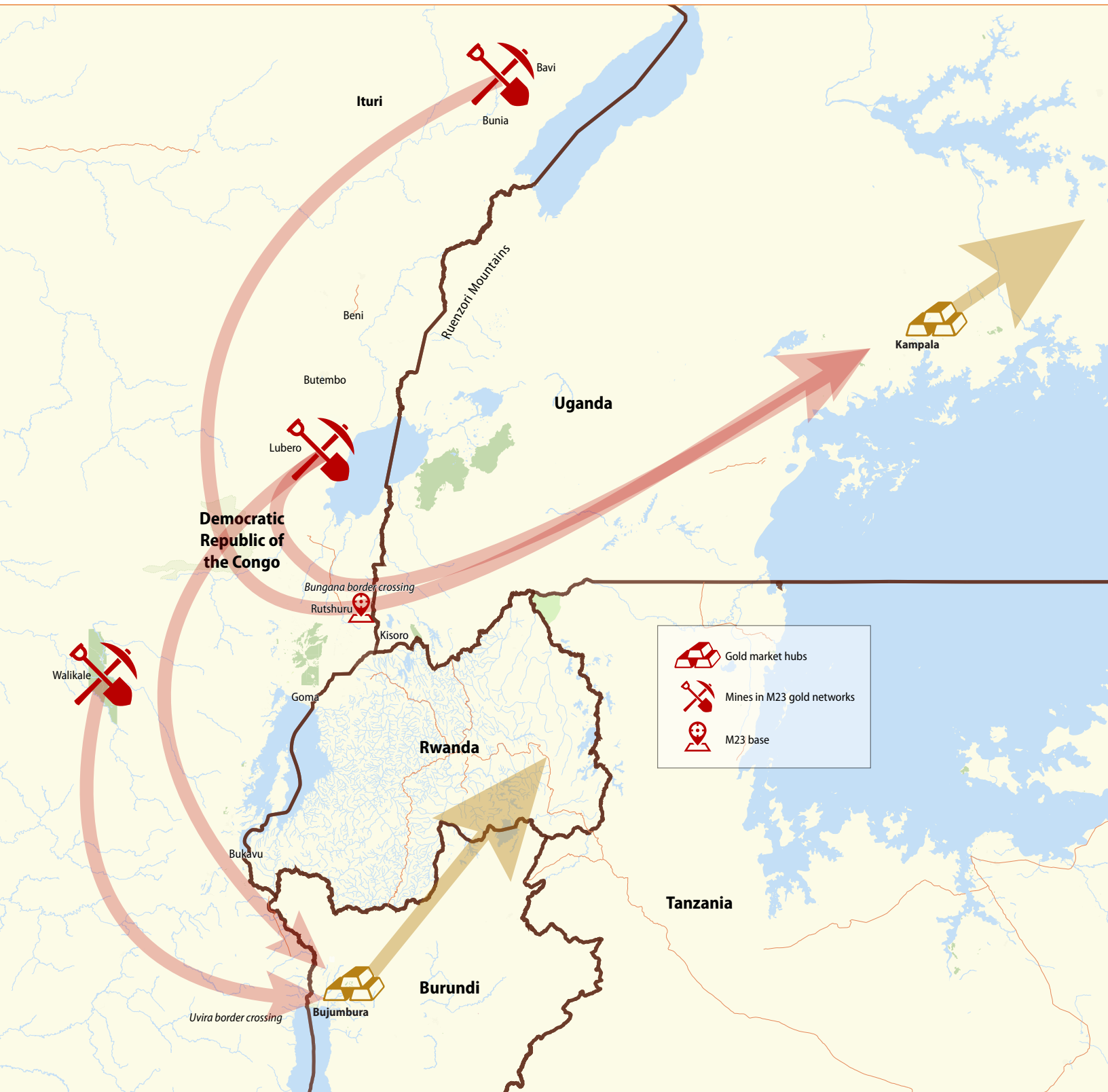
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## M23’s lucrative allied armed groups

M23, which began as a relatively small group with a limited reach, is building alliances with other rebel groups to expand its reach beyond the small enclave in Rutshuru territory in order to access the gold produced in nearby areas. M23 has gained allies who control large, lucrative gold mines in eastern Congo’s Walikale and Lubero territories in North Kivu province and Ituri district in Orientale province. M23 commander Sultani Makenga started exploring opportunities in the regional gold trade after taking effective command over M23 forces in Rutshuru in May 2012. Makenga previously served as deputy commander of the 2009 joint U.N.-Congolesse army “Amani Leo” operations in South Kivu, where his mission was to protect civilians from armed groups. Despite this role, Makenga is known to be loyal to former CNDP military leader Laurent Nkunda, who has been under house arrest in Gisenyi, Rwanda, since 2009.<sup>22</sup> Makenga’s loyalties to both Nkunda and Ntaganda have enabled him to leverage the networks of both as he consolidates his alliances and secures increasing power over the gold mines and transit routes.

## Walikale

Walikale territory is one of the most mineral-rich areas in eastern Congo, and Walikale’s largest gold mine is called Omate. Ntabo Ntaberi Sheka leads the NDC, which effectively controlled Omate from May 2011 to January 2012, demanding rations and contributions in the form of gold, according to the U.N. experts.<sup>23</sup> The Congolesse government issued an arrest warrant for Sheka, who also faces U.N. sanctions and indictment by the Congolesse government for his alleged role as the mastermind of the rape of 387 women, children, and men in Luvungi, DRC, in August 2010.<sup>24</sup>



The M23 gold network: Key locations noted in the report

According to the U.N. Group of Experts, part of the gold that Ntaganda's ring attempted to sell in Uganda in 2012 came from mines controlled by M23 allies such as Sheka, who has been an ally of Bosco Ntaganda since mid-2011, in Walikale.<sup>25</sup> According to the U.N. experts, Sheka traveled in the beginning of November 2011 to Goma to receive instructions and means from Ntaganda to kill his former ally, FDLR Commander Lt. Col. Evariste Kanzaguhera—whose alias was Sadiki.<sup>26</sup>

Sheka's forces killed Sadiki in November 2011.<sup>27</sup> Following Sadiki's killing, Sheka's forces clashed with their erstwhile allies, the FDLR, over access to mining areas, including the Omate gold mine. A demobilized NDC fighter under Sheka told the Enough Project that:

*Sheka had changed after coming back from Goma. When Sadiki was killed in Misao, our unit under Guido (Simerayi) attacked the FDLR in Mayuano, a two-hour walk from Omate. Our soldiers killed several FDLR to show who is in control now.*<sup>28</sup>

The local companies that came under Sheka's control at Omate gold mine have shown the U.N. experts invoices showing that a company called AR Gold in Goma purchased their gold.<sup>29</sup> A former representative of AR Gold denied that the company ever purchased gold from the Omate mine.<sup>30</sup> Official export statistics show that AR Gold primarily exports to its own branch in Dubai, which is managed by Sibtein Alibhai, as is the one in Goma.<sup>31</sup> Its last registered export of 10 kg of gold—officially worth \$525,371—from Goma dates back to November 2, 2011.<sup>32</sup> This shipment was controversial because the provincial minister of mines of North Kivu refused to sign the export authorization, suspecting the company of fraud, according to the cabinet director of the ministry.<sup>33</sup> The company exported the gold without the signatures of local authorities, and according to a Congolese intelligence source and a businessman in Goma, the gold was taken through Rwanda<sup>34</sup> to Bujumbura by Karim Somji.<sup>35</sup> The Enough Project obtained a Burundian export document showing that Somji manages an export company called Gold and Golden, which exports gold to Dubai.<sup>36</sup> The Enough Project tried to contact Alibhai for clarifications concerning AR Gold business ventures but received no reply.<sup>37</sup>

Sheka's networks are still active in mining areas in Walikale, even after the Congolese army progressively deployed troops to this area, with the most recent reports describing new attacks by Sheka in September.<sup>38</sup> Traders in Walikale and a former NDC combatant claimed that Maurice Kasereke, also known by the alias "Kase," reportedly purchased Sheka's gold in exchange for weapons and munitions.<sup>39</sup> The former NDC combatant could not, however, tell the Enough Project what happened to the gold afterward.



## Ituri

M23's network of gold allies also stretches into Ituri province, just north of the Kivus. According to U.N. experts, part of the gold Ntaganda attempted to sell in Kampala in 2012 also came from M23 allies in Ituri.<sup>40</sup> While the M23 alliances are not as strong in Ituri as they are in Walikale, U.N. experts found in 2012 that M23 was negotiating a possible alliance with Ituri leader Brig. Gen. Justin Banaloki—alias “Cobra Matata”—of the Resistant Patriotic Forces in Ituri, or FRPI.<sup>41</sup> “Cobra Matata is in Bavi [a gold mine],” a prominent gold trader based in Bunia, DRC, told the Enough Project. “His men are in the mines to dig and to collect contributions for the FRPI.”<sup>42</sup> Further Enough Project interviews in September confirmed that Matata's group continues to be resupplied militarily, though it was unconfirmed from where exactly.<sup>43</sup>

As for Cobra Matata himself, the U.N. experts found that he sells his gold to present and former Ugandan army officers, as well as to licensed Congolese traders who supply the Kampala-based exporter Silver Minerals, and to Rajendra “Raju” Kumar.<sup>44</sup> Kumar's company, Machanga Ltd., came under U.N. sanctions in 2007 for its purchases from Ituri militia.<sup>45</sup> But he has continued to export gold to Dubai through Mineral Impex Uganda, according to the U.N. Group of Experts.<sup>46</sup> Silver Minerals, according to U.N. experts, declares South Sudan as the country of origin of the gold they export.<sup>47</sup> Enough Project interviews in September confirm that Matata continues to trade gold and maintains close links with Uganda.<sup>48</sup>

## Beni-Lubero

Whereas Ntaganda drew largely on allies in Walikale and Ituri to control the gold trade, Makenga appears to have expanded M23's alliances with armed groups and businessmen in Beni and Lubero territories in northern North Kivu. Major Hilaire Kombi, for example, has proven to be a lucrative and strategic ally for M23.<sup>49</sup> Kombi deserted the Congolese army in June 2012 with the support of Mbusa Nyamwisi, an influential Congolese parliamentarian. In October 2012, Kombi's group declared itself the Union for the Rehabilitation of Democracy in Congo, or URDC, in a statement that also publicly acknowledged its connection to M23.<sup>50</sup> Kombi has sent troops to meet with M23 forces based in the group's stronghold, Rutshuru,<sup>51</sup> and Enough Project research in July confirmed that Kombi's group was part of M23's network, with medium engagement and commitment from both sides.<sup>52</sup>

Shortly after his desertion, Kombi, who reportedly commands 280 men, issued a statement claiming that he aimed to “liberate” villages in his home area of Watalinga, in the foothills of the Rwenzori Mountains in Beni territory, without giving further clarification.<sup>53</sup> Yet his military activities have so far taken place elsewhere, demonstrating a more economic motive.

Kombi led several attacks in 2012 and 2013 on gold-trading centers in Lubero, according to accounts provided to the Enough Project by a trader based in the town of Beni. The trader told the Enough Project that “In recent months, Kombi’s men pillaged several communities in Lubero territory. They targeted Kantine and Pangoy because a lot of gold is traded there.”<sup>54</sup> Earlier this year, Kombi’s forces also teamed up with rebels loyal to Paul Sadala, also known as Major Morgan, in Ituri. On January 6, the forces loyal to both Kombi and Morgan attacked and pillaged the town of Mambasa, an important local hub for the gold trade.<sup>55</sup> Businessmen in Mambasa told Radio Okapi that they lost \$5 million worth of goods that day.<sup>56</sup> On March 22, Kombi’s forces attacked Mangurejipa, another center for the gold and minerals trade in Lubero.<sup>57</sup>

Gold provides the key means for solidifying strategic alliances between M23 and militia led by Kombi and Morgan and is moved across international borders with the assistance of M23 and former CNDP associates. The U.N. Group of Experts in 2013 documented that “URDC and other militias primarily finance themselves by exploiting natural resources, especially gold and ivory.”<sup>58</sup> A high-level source within the Congolese army told the Enough Project that “at the end of December 2012, Kombi and Morgan jointly sent about 60 kg of gold (worth more than \$300,000 at the time) and 1.5 tons of ivory on behalf of M23 to the town of Kasese, in western Uganda, to be delivered to a Rwandan General.”<sup>59</sup> A source close to Kombi told the Enough Project that some of the gold remains in Kasese, where it is being kept by a family member of former CNDP leader and U.N. sanctioned individual ‘General’ Kakolele Bwambale.<sup>60</sup> The gold and ivory could have served as payment for weapons support by M23 to Kombi’s group, as reported by U.N. experts.<sup>61</sup>

Kombi’s gold, according to his business associate, is also trafficked from Lubero to Burundi through Nyamwisi’s liaison officer to M23 named Andy Patandjila, who resides in Gisenyi, Rwanda.<sup>62</sup> According to Congolese businessmen in Bujumbura, Congolese army sources, and gold-trade insiders, the scheme further involves personnel of the Congolese embassy in Bujumbura, Burundi.<sup>63</sup> According to these sources, embassy personnel allegedly take gold from Patandjila and other collaborators in Goma, Bukavu, and Uvira, to carry it into Burundi on diplomatic vehicles.

Sources close to Kombi who claim to be involved in the alleged trafficking to Burundi via the Congolese Embassy personnel in Bujumbura specified to the Enough Project that four shipments in 2012 left the DRC, totaling at least 150 kg of gold worth close to \$7 million at 2012 prices, with one supposedly belonging to Makenga.<sup>64</sup> The Enough Project contacted the Congolese Ambassador to Burundi, who denied having any personal or official involvement in commercial gold dealings between Congo and Burundi and offered his collaboration to find out if any of his staff could have been involved.<sup>65</sup>

Once the gold that originates from Beni and Lubero reaches Bujumbura, Burundi, it is reportedly bought by a Burundian businessman named Mutoka Ruganyira and an unidentified buyer of Arab origin, according to Congolese businessmen in Bujumbura, Congolese army sources, and gold-trade insiders.<sup>66</sup> According to U.N. experts and Burundian authorities, Ruganyira is behind the most important exporting company in Bujumbura, Ntahangwa Mining,<sup>67</sup> which exported close to one ton of gold to the United Arab Emirates in the first eight months of 2012.<sup>68</sup> In early 2012, Ruganyira sold his gold via Indian middlemen to Al Fath goldsmith in Sharjah, according to U.N. experts.<sup>69</sup> In a response to the U.N. experts from March, seen by the Enough Project, Ruganyira claims to have sold Ntahangwa Mining in 2011 and denies any purchases of gold from Congo in recent years. Al Fath could not be reached for comments.

By reportedly using connections to individuals such as Kombi in Lubero, a relative of Kakolele in Uganda, Patandjila in Rwanda, and Congolese embassy personnel in Burundi, M23 has demonstrated its ability to expand its control over both sources and transit routes of Congolese gold. M23 continues to actively work to expand its partnerships and identify other companies to move the gold it acquires out of Congo for sale on the international market.

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### M23 commanders' personal gold ventures

Much of the gold that M23 allies move out of Congo reaches international markets via business centers in Bujumbura, Burundi, and Kampala, Uganda, where M23 has maintained a semi-permanent presence since 2012.<sup>70</sup> M23's presence in Kampala also enabled individual commanders to advance their economic interests. According to the U.N. Group of Experts, M23, under the supervision of Bosco Ntaganda, brought two separate batches of 200 kilos and 125 kilos of Congolese conflict gold—worth \$15 million total at 2012 prices—through the M23-controlled border in Bunagana, DRC, to Kampala, and the 200 kilos batch on to Nairobi.<sup>71</sup> These deals involved a network of smugglers in Kampala and Nairobi that Ntaganda worked with in previous deals with the Texas-based CAMAC Group for 475 kg of gold and a \$2 million gold deal from Kampala with the Dubai-based company Black Pearl, in which Ntaganda appeared to be laundering fake gold, according to the U.N. experts.<sup>72</sup> In a letter to the U.N. Group of Experts, annexed to its final report of 2011, CAMAC's lawyers denied any involvement of individuals associated with the company.<sup>73</sup> On its website, the company did acknowledge the release of its corporate jet, which, according to U.N. experts, had been flown to the DRC and was used in the deal brokered by Ntaganda.<sup>74</sup>

M23 currently seems to be seeking new partners, suggesting that foreign buyers grew wary of Ntaganda, whose gold appeared partly fake.<sup>75</sup> In his wake, M23's current commander Makenga has developed his business ties and political connections in Uganda, as well as in Burundi. Businessmen and diplomatic sources told the Enough Project that in mid-2012, Makenga took on Congolese politician Basile Diatezwa to manage Makenga's commercial interests in both countries.<sup>76</sup> A Belgian resident Diatezwa politically represented the CNDP abroad during the years Nkunda led the CNDP rebellion from 2006 to 2008.<sup>77</sup> He came back to the region in the beginning of 2011 to open a mineral-trading business in Bujumbura called Courta. The company was licensed to deal minerals in 2011, but the license was not renewed in 2012, according to Burundian mineral statistics obtained by the Enough Project.<sup>78</sup> Enough, however, obtained a business card on which Diatezwa continues to present himself as the manager of a general import company with the same name. The owner of one Burundian mineral-exporting company told Enough Project that Diatezwa approached him to help export minerals, but he declined the offer when he became familiar with Diatezwa's political background.<sup>79</sup>

Diatezwa's alleged gold trading network, which Makenga has joined, reportedly involves several other former CNDP officers with connections to businessmen in Burundi and military officers in Uganda. One of Diatezwa's associates is former Col. Moses Kambale, who, according to a Congolese army major, smuggles gold from South Kivu via the border town of Uvira to reach Diatezwa in Bujumbura.<sup>80</sup> Kambale is a former officer in the Ugandan army, who operated as Laurent Nkunda's deputy commissioner for defense in 2008.<sup>81</sup>

Congolese businessmen in Kampala told the Enough Project that in January 2013, they saw Diatezwa with Dominique Bashali Bulenda, who allegedly sells Makenga's gold in Kampala and, according to a Ugandan gold-trade insider, previously sold Ntaganda's gold.<sup>82</sup> According to Congolese army sources, Bulenda was arrested in February in Kasindi, DRC, near the border with Uganda. He was reportedly accused of collaboration with the Oecumenical Force for the Liberation of Congo, or FOLC, an M23-allied militia in Beni, DRC.<sup>83</sup> Bulenda could not be reached for comments because he is in jail.

Diatezwa explained to the Enough Project that he traveled to zones controlled by M23 and met with Makenga near Bunagana in December 2012 to understand the political issues at play, but he denies any involvement in financial or commercial transactions with M23 or with any of the individuals above.<sup>84</sup>

### Sanctioning the key exporters and smugglers

Levying sanctions on the beneficial owners of the companies aiding armed groups such as M23 and their allies is a first and fundamental step to close down the conflict gold trade. While much of the gold is acquired and moved across borders by shadowy actors and groups, investigations reveal that official exporting companies play a critical role at the receiving end of the trade. When these companies are sanctioned, owners rename their businesses to evade sanctions and continue trading conflict gold. Applying sanctions to the individuals managing and/or owning the companies provides a critical way of addressing the evasion of sanctions.

The names of many businesses and the individuals who run them have been documented for several years, and their ties to M23 and associated armed groups are now even further documented. The company Courta in Bujumbura, for example, is managed by alleged M23-associated politician Basile Diatezwa.<sup>85</sup> The company Ntahangwa Mining—formerly Berkenrode—in Bujumbura is alleged by Congolese businessmen in Bujumbura, Burundian officials, Congolese army sources, and gold-trade insiders to have purchased indirectly from an M23 officer and his armed allies.<sup>86</sup> Silver Minerals and Mineral Impex Uganda in Kampala and AR Gold in Goma were in 2012 accused by U.N. experts of indirectly purchasing gold from M23 allies prior to and during the M23 insurrection. Furthermore, Evariste Shamamba of Etablissement Namukaya has been trading in FDLR-held areas for several years, according to repeated U.N. experts' investigations.<sup>87</sup> These companies account for a significant share of the conflict gold trade flowing from the region.<sup>88</sup> Sanctions against these companies and their owners have the potential to constrict the illicit portion of the gold trade in the region. M23 and other armed groups might be able to eventually find other exporters to sell their gold abroad, but switching overnight would not be an easy task, given the strong international networks attached to the four main exporters.

Implementing sanctions would also require the governments of the Great Lakes countries to take judicial action against these exporters. This will not be easy, given the exporters' strong networks within the governments. The United Nations, the United States, the United Kingdom, and the European Union—particularly the new special envoys to the region—as well as other development partners will have to strongly encourage such action. The International Conference on the Great Lakes Region, or ICGLR, minerals certification process, which was designed to address such challenges, provides a framework for cooperation to levy sanctions on the illicit trade. The ICGLR's Independent Mineral Chain Auditor, or IMCA, was created to investigate anonymous reports of illicit mineral activities and sanction those involved. ICGLR member states are delaying finalization of the IMCA, but U.N. Envoy Robinson and U.S. Envoy Feingold should help these countries finalize the IMCA as part of the new peace process.



## Due diligence: Overcoming the challenges

In the tin, tantalum, and tungsten minerals sectors, many mineral traders and smelters started taking responsibility for their supply chain after investigative reports revealed their indirect purchases from areas under control of armed groups. Some gold-mining and jewelry companies are being similarly responsive, including the extensive work of Signet Jewelers and the World Gold Council.<sup>89</sup> Many gold companies, however, are not being as responsive. There are two major challenges to the effort to trace and regulate the movement of gold. First, gold is easy to conceal, particularly in areas such as the Congo, where state authority has eroded. Despite abundant evidence presented by U.N. Groups of Experts and other watchdogs, exporters in neighboring countries simply deny dealing in Congolese conflict gold and evade responsibility.<sup>90</sup> Second, the trace of Congolese conflict gold is often lost as soon as it is hand-carried on commercial airlines to consumer countries, notably the United Arab Emirates. It is difficult to identify the trading partners of regional gold exporters in the Middle East and to require them to exercise due diligence. In the UAE, artisanal-mined gold is carried by hand in the form of gold dust or nuggets in volumes of less than 50 kilos.<sup>91</sup> According to UAE customs procedures, the carrier must declare a licensed dealer as consignee, but there is no verification.<sup>92</sup> The declared dealer may or may not be the real buyer.

UAE refiners claim that no Congolese conflict gold enters their facilities because they have no contracts with artisanal suppliers and claim to only refine recycled gold and refuse mined gold that could be of Congolese origin.<sup>93</sup> While this may be true, the pressure on refiners to accept gold of any origin is high. One UAE refiner told the Enough Project, “I am forced to accept gold as one accepts money. Some vendors insist on me taking their gold. These are very powerful people. I would put myself and my family in danger if I refuse their gold.”<sup>94</sup>

Overcoming these challenges is possible with careful enforcement. The first step is through accurate information gathering and regional action through the IMCA. Second, detailed customs data that names the importing company should be made available to refiners and jewelry producers such as Dubai Multi Commodity Centre, or DMCC, members, who have committed themselves to due-diligence processes. To know which downstream companies should be held to account, detailed and accurate customs data are essential in importer countries, particularly the UAE. Its customs authorities should properly verify importers of gold and make such data available to industry actors, other state regulators, and outside observers that need to implement or monitor implementation of due diligence. To date, UAE authorities have, however, failed to publish or share detailed importer data with U.N. expert groups.<sup>95</sup> This ignores Security Council Resolutions 1952 and 2021, which recommend that “all states ... regularly publish full import and export statistics for natural resources, including gold.”<sup>96</sup> More surprisingly, the DMCC—one of UAE’s free-zone regulators overseeing its main refiners and jewelers—has no access to such data.

There are many questions on how DMCC refiners and jewelers in the UAE are supposed to conduct due diligence in line with the regulations the DMCC issued in April 2012. The lack of transparency and accuracy of data concerning hand-carried gold imports and importers is one issue. Another concern is the high risk of gold ending up at member jewelers and refiners' facilities as scrap gold via small smelters in the gold souk. Until audits are conducted in a rigorous manner with an emphasis on efforts to detect and trace the origin of mined gold, the DMCC's due-diligence guidance should be considered as nothing more than a good intention.

As a chokepoint for artisanal gold from the Great Lakes region, the UAE should be the focus of due-diligence initiatives of other industry associations, such as the London Bullion Market Association, or LBMA; the Responsible Jewelry Council, or RJC; and the Electronic Industry Citizenship Coalition, or EICC. Audits need to target producers, refiners, and jewelers that could be sourcing artisanal gold from the Great Lakes Region, via the UAE, instead of from companies whose supply chains run exclusively to countries with known gold production, which are not plausible transit countries of conflict minerals from Congo. When looking at the list of refiners audited so far, the latter is the case today.<sup>97</sup>

For due diligence to work effectively, sellers' demands for suppliers must run all the way through a confirmed supply chain from consumers to refiners to traders and producers. In-region data, however, must be improved, and regional investigative capacity and data transparency in exporting and importing countries are the main bottlenecks. Although these are principally governments' responsibilities, industry due-diligence initiatives can and must do more than confirm an already satisfactory status quo of model companies.

Downstream companies and associations, for example, should compel relevant governments to collect and release customs data and take action against conflict-mineral traders. World Gold Council producers that are active in the Great Lakes region should support the ICGLR's certification and independent auditing process. An association such as the LBMA, which has UAE-based refiners among its associate members, could also throw its weight behind the recommendations the DMCC is making to UAE customs authorities to help them implement due-diligence processes. Finally, a broader process to formalize eastern Congo's gold sector is squarely needed, which will be the subject of an upcoming Enough report.

## Jewelers: Closed pipelines from Congo

Jewelers, gold miners, and refiners also have a critical role to play in investing in and establishing clean supply chains from the Great Lakes region. Several have expressed their intentions to do so during multistakeholder forums organized by the OECD and the LBMA, building on the models of the Solutions for Hope and Conflict-Free Tin Initiative, which enable electronics companies to source clean tin and tantalum from eastern Congo. Some companies have joined a forum organized by Resolve to explore what a “Solutions for Hope for Gold” in Congo could look like, so that jewelers and other end-users could help build a clean gold trade in Congo. This could happen by sourcing either directly from industrial and semi-industrial mines or through projects to formalize the artisanal gold trade in Congo, which could generate the necessary confidence to start sourcing conflict-free gold from the region.

The NGO Partnership Africa Canada, for instance, is rolling out a project with funding from the Public Private Alliance for Responsible Mineral Trade, or PPA, to register 10,000 miners and track production in pilot mine sites in Orientale Province.<sup>98</sup> This and other projects will need support and buyers in order to succeed, and thus it would greatly help if jewelers joined the PPA and the Solutions for Hope for Gold forum.<sup>99</sup>

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## Conclusion

The M23 rebel group, which began as a small organization with a small reach, has been expanding its ties and tainting an ever-increasing proportion of fraudulent gold trade from eastern DRC. The growth of this lucrative trade has exposed the shadowy figures involved in controlling mines in eastern DRC and transit routes through neighboring countries. The names of companies and individuals laundering conflict gold from Uganda and Burundi to the UAE are now known. The ball is now in the court of the United States and the U.N. Security Council to sanction these companies and individuals, and of jewelers, refiners, and companies in the downstream gold industry to conduct proper due diligence and to invest in a clean gold trade in Congo.

## Endnotes

- 1 The M23 rebel group is based in Rutshuru, eastern Congo, and according to the U.N. Group of Experts and U.S. and U.K. intelligence, has been receiving support from Rwanda. M23 was originally part of the National Congress for the Defense of the People, or CNDP, and is named for a March 23 peace agreement they signed in 2009 with the Congolese government. The U.N. Group of Experts on the Democratic Republic of the Congo documented atrocities committed by the M23, including killings, extrajudicial executions, rapes, recruitment of child soldiers, and burning of homes. U.N. Security Council Committee, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), available at [http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2012/843](http://www.un.org/ga/search/view_doc.asp?symbol=S/2012/843).
- 2 Sultani Makenga was designated for targeted sanctions in 2012 by the U.N. Security Council Sanctions Committee concerning DRC on the basis of targeting women and children in armed conflict, as well as recruiting or using child soldiers as a leader of M23. He denies the child soldier charges. Enough attempted to contact him by phone regarding the gold charges but failed to reach him in October. For details on Makenga's alleged role in recruiting child soldiers, see U.N. Security Council, "Letter dated 12 November 2012 from the Chair of the Security Council Committee established pursuant to resolution 1533 (2004) concerning the Democratic Republic of the Congo addressed to the President of the Security Council" (2012), pp. 38–39, para. 153, available at [http://www.un.org/ga/search/view\\_doc.asp?symbol=S/2012/843](http://www.un.org/ga/search/view_doc.asp?symbol=S/2012/843). For Makenga's denial, see "Makenga: In Brief, My Life is War," *New African*, February 13, 2013, available at <http://www.newafricanmagazine.com/features/interviews/makenga-in-brief-my-life-is-war>.
- 3 Jewelry and investment made up 79.5 percent in Q2 2013. World Gold Council, "Demand and supply statistics: Q2 2013" (2013), available at [http://www.gold.org/investment/statistics/demand\\_and\\_supply\\_statistics/](http://www.gold.org/investment/statistics/demand_and_supply_statistics/); For more on the conflict gold trade overall, see Enough Team, "From Child Miner to Jewelry Store: The Six Steps of Congo's Conflict Gold" (Washington: Enough Project, 2012), available at <http://enoughproject.org/reports/child-miner-jewelry-store-six-steps-congos-conflict-gold>.
- 4 Based on official Uganda and Burundi gold exports from before 2010. The price is based on the average export value from mid-2012 to mid-2013 of \$42,000 per kilo of low-grade artisanal gold. Enough Team, "From Child Miner to Jewelry Store."
- 5 Fidel Bafilemba, Sasha Lezhnev, and Sarah Zingg Wimmer, "From Congress to Congo: Turning the Tide on Conflict Minerals, Closing Loopholes, and Empowering Miners" (Washington: Enough Project, 2012), available at <http://www.enoughproject.org/publications/congress-congo-turning-tide-conflict-minerals-closing-loopholes-and-empowering-miners>.
- 6 Human Rights Watch, "Who is Bosco Ntaganda," available at <http://www.hrw.org/topic/international-justice/boscontaganda> (last accessed September 2013).
- 7 Calculated on the basis of an estimated smuggled volume of 325 kilos, as reported by the U.N. Group of Experts and an average export value in 2012 of \$46,000 per kilo of low-grade artisanal gold. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), p. 141, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 8 U.N. Group of Experts "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952" (2011), para. 619, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 9 According to one of the perpetrators of mass rape—documented by MONUSCO's Human Rights Office and interviewed by U.N. experts—the orders to conduct the rapes were given directly by Sheka himself. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 6 of Security Council resolution 1896" (2009), para. 41 and (2010), paras. 39–41, available at <http://www.un.org/sc/committees/1533/egroup.shtml>; A Congolese arrest warrant for mass rape was issued against Sheka on January 6, 2011, which is yet to be enforced. Human Rights Watch, "DR Congo Arrest Candidate Wanted for Mass Rape," November 2, 2011, available at <http://www.hrw.org/news/2011/11/02/dr-congo-arrest-candidate-wanted-mass-rape>. According to the Associated Press, "Sheka initially denied his fighters were involved but later handed over one of his commanders to authorities." "Man accused of war crimes to run in Congo election," Associated Press, November 3, 2011, available at <http://news.yahoo.com/man-accused-war-crimes-run-congo-election-125610974.html>.
- 10 Jeffrey Gettleman and Marcus Bleasdale, "The Price of Precious," *National Geographic*, October 2013, available at <http://ngm.nationalgeographic.com/2013/10/conflict-minerals/gettleman-text>.
- 11 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), paras. 66 and 83, available at <http://www.un.org/sc/committees/1533/egroup.shtml>; Enough Project, "The Networks of Eastern Congo's Two Most Powerful Armed Actors," August 2, 2013, available at <http://enoughproject.org/multimedia/infographic-networks-eastern-congos-two-most-powerful-armed-actors>.
- 12 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), paras. 183 and 191, available at <http://www.un.org/sc/committees/1533/egroup.shtml>. Enough Project could not reach Kumar for comments over the telephone, despite calling the correct number 10 times. The company Mineral Impex is registered in Gulu, Uganda. We reached a government authority in 2011 in Gulu, who said the company did not operate anymore, but it continued to do so in official statistics in 2011 and 2012.
- 13 Ruganyira claims that he sold Ntahangwa two years ago and no longer trades gold. He claims he does not know the Congolese embassy officer who allegedly took Congolese gold from him in 2012. Mutoka Ruganyira, Skype interview, September 2013. Whether he owned it or not, however, Burindian government officials told the Enough Project in August 2012 that Ntahangwa remained Mutokas' channel.
- 14 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), para. 190, available at <http://www.un.org/sc/committees/1533/egroup.shtml>. Pirani did not respond to emails sent by the Enough Project. Enough used the email address and telephone number as registered with the Ugandan government authorities, but neither worked. He had a physical address listed for Silver Minerals, which we visited and knocked on the door, but there was no answer. A Ugandan registration document viewed by Enough indicated that he is the owners of Silver Minerals. To our knowledge, he has never denied involvement in Silver Minerals.

- 15 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 18 (d) of resolution 1807" (2008), para. 78, available at <http://www.un.org/sc/committees/1533/egroup.shtml>; U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 6 of Security Council resolution 1896" (2009), para. 204, available at <http://www.un.org/sc/committees/1533/egroup.shtml>; U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952" (2011), paras. 179, 200, 357, and 531, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 16 Shamamba is the documented owner of both companies, according to U.N. Group of Experts reports. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" p. 195, available at <http://www.un.org/sc/committees/1533/egroup.shtml>. Shamamba claims that almost all of his gold purchases come from sites not controlled by armed groups. Evariste Shamamba, phone interview, February 4, 2013.
- 17 Interviews with multiple regional gold traders in Congo, Uganda, and Burundi, government officials in Congo and Uganda, 2011–2013.
- 18 U.N. Organization Stabilization Mission in the DR Congo, "Peace, Security, and Cooperation Framework for the Democratic Republic of Congo and the region" (2013), available at <http://www.scribd.com/doc/127251407/Peace-Security-and-Cooperation-Framework-for-the-Democratic-Republic-of-Congo-and-the-region>.
- 19 "Solutions for Hope for Gold," available at <http://solutions-network.org/site-sfhgold/> (last accessed October 2013).
- 20 Solutions Network, "Solutions for Hope," available at <http://solutions-network.org/site-solutionsforhope/%E2%80%8E> (last accessed September 2013).
- 21 Solutions Network, "Conflict-Free Tin Initiative," available at <http://solutions-network.org/site-cfti/%E2%80%8E> (last accessed September 2013).
- 22 AfroAmerica Network, "M23 General Sultani Makenga Escapes Assassination Attempt" (February 23, 2013), available at <http://www.afroamerica.net/AfricaGL/2013/02/23/m23-general-sultani-makenga-escapes-assassination-attempt/>
- 23 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," para. 186. Enough attempted to contact Sheka by asking Congolese authorities for his phone number, but they did not have it. He is currently fighting in North Kivu.
- 24 According to the Associated Press, "Sheka initially denied his fighters were involved but later handed over one of his commanders to authorities." "Man accused of war crimes to run in Congo election"; In November 2012, Sheka was designated for targeted U.N. sanctions for, among other things, the targeting of women and children during the August 2010 attacks, involving rape. Human Rights Watch, "DR Congo: Arrest Candidate Wanted for Mass Rape"; U.N. Security Council, "List of Individuals and Entities Subject to the Measures Imposed by Paragraphs 13 and 15 of Security Council Resolution 1596 (2005), as Renewed by Paragraph 3 of Resolution 2078" (2012), p. 26, available at [http://www.un.org/sc/committees/1533/pdf/1533\\_list.pdf](http://www.un.org/sc/committees/1533/pdf/1533_list.pdf).
- 25 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," p. 141; Ntaberi was designated for U.N. sanctions in November 2011 inter alia for planning and ordering particularly brutal attacks against civilians, including children, in 2010. U.N. Security Council, "List of Individuals and Entities Subject to the Measures Imposed by Paragraphs 13 and 15 of Security Council Resolution 1596 (2005), as Renewed by Paragraphs 13 and 15 of Resolution 2078 (2012)" (2012), p. 141, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 26 U.N. Group of Experts, "Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021."
- 27 AfroAmerica Network, "FDLR Commander Colonel Sadiki Killed by Mai-Mai Cheka" (November 21, 2011), available at <http://www.afroamerica.net/AfricaGL/2011/11/21/fdlr-commander-colonel-sadiki-killed-by-mai-mai-cheka/>
- 28 Former NDC combatant, phone interview, January 14, 2013.
- 29 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021." Enough attempted to reach AR gold's owner by email and phone several times but was unsuccessful.
- 30 Representative of AR Gold in Goma, phone interview, March 3, 2013.
- 31 In 2009, Alibhai was allegedly involved in a small scandal in Costa Rica when it appeared evidence emerged suggesting that in 2003, he had helped Carmen Vincent Cicalese—who was prosecuted by the U.S. attorney's office for money laundering—enter the country by declaring him as his employee. Africa Intelligence: the Indian Ocean Newsletter, "Alfa Gems Corp," December 14, 2012, available at <http://www.africaintelligence.com/ION/business-circles/companies/2012/12/14/alfa-gems-corp,107936491-BRE>. AR Gold is not registered in the UAE. A domain name for a Gamma Investments Ltd. in Dubai was registered with Alibhai mentioned as a contact person, but this company does not feature in records of the Dubai Chamber of Commerce. Domain Tools, "GammaDubai.com Whois Record," available at <http://whois.domaintools.com/gammadubai.com> (last accessed September 2013).
- 32 U.N. Group of Experts, "Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 2078" (2013), p. 155, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 33 Cabinet director of the provincial ministry of mines of North Kivu, phone interview, March 6, 2013.
- 34 Enough project obtained a transit document issued by Rwandan customs authorities for the 10 kg of gold exported by AR Gold from Goma in November.
- 35 Telephone interview with Congolese intelligence source, phone interview, April 22, 2013; Businessman in Goma, phone interview, April 20, 2013. Somji's number was not in service. Enough attempted to contact Somji by attempting to obtain a different number for him through Burundian mine authorities, but they did not have it.
- 36 The company Gold and Golden exported 127 kilograms of gold in the first three months of 2013. U.N. Group of Experts, "Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 2078," p. 157.
- 37 Former NDC combatant, phone interview, January 14, 2013.
- 38 U.N. Group of Experts, "Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," para. 63.
- 39 Walikale-based businessmen, phone interviews, January 14, 2013; former NDC combatant, interview February 3, 2013.
- 40 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021."
- 41 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," para. 83.
- 42 Businessman in Bunia, phone interview, January 12, 2013.
- 43 Three intelligence sources in Ituri, interview with authors, September 24, 2013.
- 44 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," paras. 84 and 187.
- 45 U.N. Security Council, "List of Individuals and Entities Subject to the Measures Imposed by Paragraphs 13 and 15 of Security Council Resolution 1596 (2005), as Renewed by Paragraphs 13 and 15 of Resolution 2078 (2012)."



- 46 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," para. 191. Enough Project wrote to Silver Minerals and Mineral Impex Uganda for clarifications concerning their business dealings in Congo but received no response.
- 47 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), para. 190, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 48 Three intelligence sources in Ituri, interview with authors, September 24, 2013.
- 49 Radio Okapi, "Nord-Kivu: un groupe Mai-Mai occupe Mangurejipa, selon la société locale," Radio Okapi, March 22, 2012, available at <http://radiookapi.net/actualite/2013/03/22/nord-kivu-groupe-mai-mai-occupe-mangurejipa-selon-la-societe-locale/>; Mr. Nyamwisi was previously the head of the rebellion by the Congolese Rally for Democracy-Kisangani/Movement for Liberation, or RCD-K/ML, in northern North Kivu and subsequently held several ministerial positions within the DRC government of the Democratic Republic of the Congo before joining the opposition prior to the elections of November 2011. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), para. 65, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 50 Kombi's spokesman Jacques Tahanga Nyolo recognized contact between URDC and M23 in the declaration announcing the URDC's formation. Nord-Kivu: URDC, nouveau groupe armé créé à Beni," Radio Okapi, October 20, 2012, available at <http://radiookapi.net/actualite/2012/10/20/beni-creation-dun-nouveau-mouvement-politico-militaire/>.
- 51 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," paras. 66 and 68.
- 52 Enough Project, "The Networks of Eastern Congo's Two Most Powerful Armed Actors" (2013), available at <http://enough-project.org/multimedia/infographic-networks-eastern-congos-two-most-powerful-armed-actors>.
- 53 "Nord-Kivu : un officier déserteur des FARDC promet d'attaquer son village natal pour le « libérer », " Radio Okapi, July 12, 2012, available at <http://radiookapi.net/actualite/2012/07/25/nord-kivu-officier-deserteur-des-fardc-promet-dattaquer-son-village-natal-pour-le-liberer/>.
- 54 Merchant based in Beni, Enough Project phone interview, February 3, 2013.
- 55 "Un groupe de rebelles et de miliciens de Morgan occupent Mambasa," Radio Okapi, January 6, 2013, available at <http://radiookapi.net/actualite/2013/01/06/groupe-de-rebelles-de-miliciens-de-morgan-occupent-mambassa/>.
- 56 "Mambasa : les commerçants ont perdu 5 millions USD à la suite des pillages, selon la Fec," Radio Okapi, January 11, 2013, available at <http://radiookapi.net/actualite/2013/01/11/mambasa-les-commerçants-ont-perdu-5-millions-usd-la-suite-des-pillages/>.
- 57 "Nord-Kivu: un groupe Mai-Mai occupe Mangurejipa, selon la société locale," Radio Okapi, March 22, 2012, available at <http://radiookapi.net/actualite/2013/03/22/nord-kivu-groupe-mai-mai-occupe-mangurejipa-selon-la-societe-locale/>.
- 58 U.N. Group of Experts, "Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 2078" (2013), available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 59 FARDC colonel, email correspondence, February 4, 2013; According to the U.N. Group of Experts, these individuals were also involved in supporting the M23 in 2012. U.N. Group of Experts, "Addendum to the Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," para. 33. FARDC colonel, email correspondence, February 4, 2013.
- 60 Former member of URDC, email correspondence, Washington, D.C., March 29, 2013; Kakolele Bwambale was sanctioned on the basis of arms trafficking. U.N. Security Council, "List of Individuals and Entities Subject to the Measures Imposed by Paragraphs 13 and 15 of Security Council Resolution 1596 (2005), as Renewed by Paragraphs 13 and 15 of Resolution 2078 (2012)."
- 61 U.N. Group of Experts, "Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 2078," para. 68.
- 62 Business associate of Kombi, email correspondence, January 19, 2013; According to the U.N. Group of Experts, Andy Patandjila was one of several Nyamwisi associates among the pro-Ntaganda M23 political cadres who surrendered on March 16, 2013, in Rwanda. U.N. Group of Experts, "Interim report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 2078," para. 68.
- 63 Congolese diplomat in Bujumbura, email correspondence, January 12, 2013; FARDC Colonel, phone interview, February 2, 2013; Congolese businessmen in Bujumbura, phone interviews, February 2013.
- 64 Two insiders involved in gold trafficking between Congo and Burundi, email correspondence, January–April 2013.
- 65 Solomon Banamuhire, the DRC ambassador to Burundi, Email correspondence, July 26, 2013.
- 66 A FARDC Colonel, phone interview February 2, 2013; Congolese businessmen in Bujumbura, phone interview, February 2013; Two insiders involved in gold trafficking between Congo and Burundi, email correspondence, January–April 2013.
- 67 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), para. 188, available at <http://www.un.org/sc/committees/1533/egroup.shtml>; Burundian government official, personal interview, Bujumbura, Burundi, August 2012.
- 68 Burundi Department of Geology and Mines, "Situation du commerce des minerais et des produits carriers au 30 aout 2012," unpublished government document seen by Enough Project, July 2013.
- 69 The U.N. Group of Experts account for a significant share of both official and smuggled trade. The official trade represents only a fraction of total exports due to rampant under-declaring to authorities of what they actually trade. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," para. 194.
- 70 M23 representatives are in Kampala for negotiations with the Congolese government facilitated by the government of Uganda, which currently leads the International Conference on the Great Lakes Region.
- 71 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), p. 141, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 72 According to the Group of Experts, both deals went bad, however. The first was thwarted by security services not loyal to Ntaganda in Goma, and the second was cancelled because the gold appeared faked. In the course of 2012, no foreign company seems to have taken its chances purchasing and procuring gold directly from Ntaganda's ring. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952," paras. 606–627; U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952," paras. 606–627. Enough looked in the company registry in Dubai for contact information for Black Pearl but did not find the company there. The U.N. Group of Experts report similarly indicated multiple failed attempts to contact Black Pearl.

- 73 U.N. Group of Experts "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952" (2011), p. 379, available at <http://www.un.org/sc/committees/1533/egroup.shtml>.
- 74 Describing the deal, "The [U.N.] Group has investigated one particularly high-profile case in which Kase Lawal, Chair of the CAMAC Group, attempted to conduct a gold transaction that subsequently involved Ntaganda between December 2010 and February 2011. ... According to [Carlos] St. Mary, Ntaganda introduced himself as the true owner of the gold and promised to obtain all the necessary paperwork. St. Mary told the Group that both he and Mukaila Lawal had informed Kase Lawal about the General's ownership, providing his name. Nevertheless, Lawal was concerned only to the extent that this presented another twist in the already convoluted deal, but also appeared relieved to finally be engaging directly with the true owner of the gold. According to St. Mary, Lawal did not ask who the General was or suggest that St. Mary should pull out of the deal as a result of his involvement." U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952" (2011), paras. 607, 612, 617, available at <http://www.un.org/sc/committees/1533/egroup.shtml>; Mike Tolson, "Jet use in gold scam costs Houston company \$32 million," *Chron*, September 21, 2012, available at <http://www.chron.com/news/houston-texas/article/Houston-company-faces-32-million-judgment-in-3884717.php>
- 75 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952" (2011).
- 76 Bujumbura-based businessmen, phone interviews, January–February 2013; Bujumbura-based diplomat, Email correspondence, December 1, 2012.
- 77 M23's website, Soleil du Graben, which went online on May 14, 2012, published an interview with Diatezwa dating back to 2008. "Questions directes à Omar Basile Diatezwa," Soleil du Graben, 2012, available at <http://www.congoindpendant.com/article.php?articleid=7617>.
- 78 Situation du commerce des minerais et des produits carriers au 30 aout 2012," Burundi Department of Geology and Mines, August 30, 2012. "Situation du commerce des minerais et des produits carriers au 30 Septembre 2011," September 30, 2011," unpublished government documents viewed by Enough.
- 79 Bujumbura-based mineral exporter, interview, January 18, 2013.
- 80 FARDC officer, phone interview, January 22, 2013.
- 81 Enough Project was unable to reach Kambale for comment. Jason Stearns, "From CNDP to M23" (Nairobi: Rift Valley Institute, 2012), p. 64, available at <http://riftvalley.net/resources/file/RV1%20Usalama%20Project%201%20CNDP-M23.pdf>.
- 82 Kampala-based Congolese businessmen, phone interviews, January–February 2013. Telephone interview with Kampala based gold-trade insider, March 20, 2013.
- 83 FARDC military justice officer based in Beni, phone interview, February 16, 2013.
- 84 He further explained that, in the absence of mineral tagging and certification, he has reoriented his trading activities in Burundi from minerals to cattle. Basile Diatezwa, Email correspondence, July 27, 2013.
- 85 Diatezwa's business card, viewed by the Enough Project, states that he is the manager of Courta.
- 86 Ruganyira claims that he sold Ntahangwa two years ago and no longer trades gold. He claims he does not know the Congolese embassy officer who allegedly took Congolese gold to him in 2012. Mutoka Ruganyira, Skype interview, September 2013. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), para. 188; Burundian government official, personal interview, Bujumbura, Burundi, August 2012.
- 87 Representatives of Courta and Ntahangwa Mining denied any gold dealings in DRC, while representatives from AR Gold, Silver Minerals, and Mineral Impex Uganda could not be reached for comments. A representative from Etablissement Namukaya elsewhere indicated that the company sources almost all its gold from mines that are not controlled by armed groups. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021" (2012), paras. 183 and 191; Mutoka Ruganyira, Skype interview, September 2013; U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 18 (d) of resolution 1807" (2008), para. 78.
- 88 U.N. experts discovered a discrepancy of almost three tons between official Ugandan export figures of gold to the UAE and the official UAE imports figures of gold from Uganda. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952," para. 553.
- 89 Signet Jewelers, "Signet Responsible Sourcing Protocol ("SRSP") for conflict-free gold" (2013), available at [http://www.signetjewelers.com/sj/dlibrary/panda/Signet\\_ResponsibleSourcingProtocol\\_Gold\\_Jan2013.pdf](http://www.signetjewelers.com/sj/dlibrary/panda/Signet_ResponsibleSourcingProtocol_Gold_Jan2013.pdf); World Gold Council, "About," available at [http://www.gold.org/about\\_gold/sustainability/conflict\\_free\\_standard/](http://www.gold.org/about_gold/sustainability/conflict_free_standard/) (last accessed September 2013).
- 90 Ugandan exporters declare South Sudan as the origin of their gold and conveniently argue that the young nation does not yet issue certificates of origin. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 5 of Security Council resolution 1952," paras. 538–539. Burundian exporters claim to source from Burundi, which is not credible, considering that the country's production capacity is about a third of the quantity it officially exports. Burundian production capacity is estimated at 500 kg to 1,000 kg per year by the U.N. Group of Experts. Meanwhile, in the first eight months of 2012 alone, Burundi exported close to 1,500 kg. U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of resolution 1698," para. 124; "Situation du commerce des minerais et des produits carriers au 30 aout 2012."
- 91 Dubai-based gold refinery representative, phone interview, May 29, 2013.
- 92 Dubai-based gold refinery representative, phone interview, May 29, 2013.
- 93 Dubai-based gold refinery representative, phone interview, May 29, 2013.
- 94 Dubai-based gold refinery representative, phone interview, May 29, 2013.
- 95 U.N. Group of Experts, "Final report of the Group of Experts on the DRC submitted in accordance with paragraph 4 of Security Council resolution 2021," para. 197.
- 96 U.N. Security Council, "Resolution 2021 (2011) Adopted by the Security Council at its 6671st meeting, on 29 November 2011" (2011), article 9, available at <http://www.un.org/sc/committees/1533/resolutions.shtml>.
- 97 The refiners that have undergone audits under EICC/Gesi program, all source from so-called level one countries that are defined as "countries with known or active ore production which are not identified as plausible countries for export out of the region, smuggling, or transit of conflict minerals." Electronic Industry Citizenship Coalition and Global e-Sustainability Initiative, "Conflict-Free Smelter (CFS) Program Compliant Gold Refiner List" (2013), available at <http://www.conflictreesmelter.org> (last accessed September 2013).
- 98 The Public-Private Alliance for Responsible Mineral Trade brings together the U.S. government, almost 47 internationally listed high-tech and other companies, industry associations, and nongovernmental organizations, as well as the ICGLR. Resolve, "Public Private Alliance for Responsible Minerals Trade," available at <http://www.resolve.org/site-ppa/> (last accessed September 2013).
- 99 "Solutions for Hope for Gold," available at <http://solutions-network.org/site-sfhgold/> (last accessed October 2013).

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Enough is a project of the Center for American Progress to end genocide and crimes against humanity. Founded in 2007, Enough focuses on the crises in Sudan, South Sudan, eastern Congo, and areas affected by the Lord's Resistance Army. Enough conducts intensive field research, develops practical policies to address these crises, and shares sensible tools to empower citizens and groups working for change. To learn more about Enough and what you can do to help, go to [www.enoughproject.org](http://www.enoughproject.org).

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