



**REPUBLIC OF LIBERIA  
TRUTH AND RECONCILIATION COMMISSION**

Volume Three:

**APPENDICES**

**Title III:**

Economic Crimes and the Conflict,  
Exploitation and Abuse



## Final Statement from the Commission

Nearly three and half years ago, we embarked upon a journey on behalf of the people of Liberia with a simple mission to explain how Liberia became what it is today and to advance recommendations to avert a repetition of the past and lay the foundation for sustainable national peace, unity, security and reconciliation. Considering the complexity of the Liberian conflict, the intractable nature of our socio-cultural interactions, the fluid political and fragile security environment, we had no illusion of the task at hand and, embraced the challenge as a national call to duty; a duty we committed ourselves to accomplishing without fear or favor.

Today, we have done just that! With gratitude to the Almighty God, the Merciful Allah and our Lord and Savior Jesus Christ, we are both proud and honored to present our report to the people of Liberia, the Government of Liberia, the President of Liberia and the International Community who are “moral guarantors” of the Liberian peace process.

This report is made against the background of rising expectations, fears and anxiety. The vast majority of us who are victims or survivors of the massive wave of atrocities induced by the conflict, expect that all the recommendations contained in this report will be implemented and reparations in the forms of compensation, policy and institutional reforms, specialized services, restitution or financial relief, will address all our social, economic, cultural, civic and political rights issues, ensure accountability, undermine impunity and foster national healing and reconciliation.

The few of us who commanded the force of arms, financed, resourced and provided political and ideological guidance to several warring factions, we fear alienation, prosecutions and other forms of public sanctions which may undermine our current socio-economic and political stature acquired during the conflict period.

Though this latter group of us equally desire national healing and reconciliation, it should be accomplished without any cost to our current standing and prestige. Bygones must be bygones. Having no regard for the rule of law, we ignored the TRC Process and when we opted to cooperate and appear before the Commission, we deliberately lied and failed to speak truthfully about the scale of our participation and deeds as a show of remorse and contrition which acknowledges the pains and sufferings of victims and triggers the national healing and reconciliation

we profess to desire.

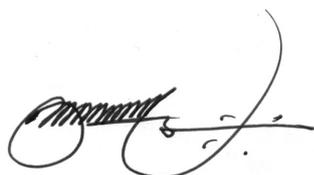
A true transitional justice process, as the TRC of Liberia, is never a perfect human endeavor; and will not satisfy all segments of our society. It is equally true that the TRC may never meet all the expectations or allay all the fears of contending interests it naturally arouses. Expectations, fears and anxieties, justifiably so, are products of the TRC process and not its outcome. The process is what justifies or legitimizes the product or the outcomes.

The outcome in this report is the product of deliberate planning and engagement with all segments of our society centering on all 15 counties of Liberia and the Diaspora. Capturing over 22,000 written statements, several dozens of personal interviews and over 500 hundred live public testimonies of witnesses including actors, perpetrators, and direct victims; a national regional consultation with county stakeholders and a national conference on reconciliation and the way forward provided the Commission a national perspective of the conflict, its causes, trends, impacts and the vision and aspirations of the people of Liberia for a better future. The Commission incorporated desk research, media publications and human rights reports of very prominent international and local human rights institutions into its work. So guided and informed, the Commission is well poised to make this report and draw the conclusions and make the recommendations contained in this report which in four volumes documents the comprehensive work of the Commission.

We extend appreciation to all, locally and internationally, who supported and worked with the Commission to ensure it succeeds at its mandate. We mention the Government of Her Excellency, Ellen Johnson-Sirleaf, the National Legislature including the House Standing committee on Peace and Reconciliation, The International Contact Group on Liberia (ICGL), Minnesota Advocates for Human Rights and the hundreds of volunteers across the USA, the media and dozens of civil society institutions, who were very interested and supportive of the process and lastly but not the least, the people of Liberia everywhere, not only for their support but most importantly for their abiding faith and confidence in the process and our ability to successfully navigate and pilot suavely through the many turbulences we encountered along the way.

We call on all to view this report and use it as a tool, blueprint and foundation for carving a better, brighter and more secured future for posterity. The purpose of our work was not necessarily to please anyone

but to objectively and independently execute the mandates of the TRC realistically and objectively in patriotic service to the nation in unraveling the truth of our national nightmare. This report is our roadmap to liberation and lasting peace which means that reconciliation in Liberia is never again an elusive goal. It is both a possibility and a reality we must achieve by opening our hearts and accepting the realities and consequences of our national existence and move forward. This report is a contribution to that process and it is our prayers that all Liberians will see it that way and work for the full implementation of the recommendations without fear or favor or respect for any man. When we do this, the love of liberty “which brought us here” will “bring us together” under God’s Command so that this sweet and glorious land of liberty will forever be ours.



**Jerome J Verdier, Sr.**  
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**Chairman**

*Dated in Monrovia this 30th day of June A.D. 2009*



## Table of Contents

1.	Introduction .....	1
2.	Definition of Economic Crimes .....	2
3.	Responsibility For Economic Crimes .....	6
4.	Economic Crimes in the Timber Sector .....	10
5.	Economic Crimes Associated with Port Operations .....	23
6.	Illegal Dealings in Arms .....	24
7.	Economic Crimes in the mining Sector .....	27
8.	Bribery of Government Officials .....	30
9.	Links to Al Qaeda and International and International Terrorism .....	30
10.	Human Rights Violations in the Mining Sector .....	32
11.	Looting economic resources during the Conflict .....	33
12.	Illegal Trade in Arms .....	34
13.	Other Industries and Corporate Actors .....	35
	a. Petroleum .....	35
	b. Telecommunication .....	36
	c. Bridge way Corporation .....	38
	d. Maritime Affairs .....	38
14.	Conclusion .....	39
15.	Recommendations .....	40
	a. Domestic Law .....	40
	b. Creation of a Reparation Trust Fund .....	43
	c. International Law .....	44
	d. Government of Liberia .....	45
	e. International Community .....	45



## INTRODUCTION

1. According to its mandate, the TRC shall investigate economic crimes, such as the exploitation of natural or public resources to perpetuate armed conflicts, during the period January 1979 to October 14, 2003; determine whether these were isolated incidents or part of a systemic pattern; establish the antecedents, circumstances, factors and context of such violations and abuses; and determine those responsible for the commission of the violations.<sup>1</sup>
2. Despite its abundant natural resources, including tropical timber, rubber trees and minerals, Liberia has remained one of the poorest countries in the world.<sup>2</sup> Throughout the period of January 1979 – October 2003, these resources benefitted only a small, elite group of Liberians, as well as select foreign traders.
3. Economic actors and economic activities played a crucial role in contributing to, and benefiting from, armed conflict in Liberia. Political actors and armed groups in Liberia sought to consolidate control of the country's natural resources during the Liberian conflict not only for economic gain, but to finance war efforts. Furthermore, private companies benefited from dealings with corrupt public officials to obtain lucrative natural resource concessions and exclusive licenses and, in many instances, formed corporate entities with perpetrators of grave human rights violations.
4. Successive governments, including the Taylor regime, established a massive patronage system with domestic and foreign-owned corporations in several critical economic sectors, such as timber, mining and telecommunications, and granted illegal benefits to the corporations in exchange for financial and military support. Corporations and private individuals engaged in a host of illegal and anti-competitive activities such as tax evasion, bribery, looting, forced displacement of civilians, money laundering, arms smuggling, and illegal price fixing.
5. This section defines economic crimes and describes the types of unlawful conduct that constitute an economic crime. It also examines the status of economic crimes under both Liberian law and international law.
6. The second, third and fourth subsections of this section analyze economic crimes that occurred within the timber, mining and telecommunications sectors,

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<sup>1</sup> An Act to Establish the Truth and Reconciliation Commission (TRC) of Liberia, enacted by the National Transitional Legislative Assembly on May 12, 2005, Art. § 4(a)

<sup>2</sup> Liberia ranked 176 out of 179 countries on the UNDP Human Development Index in 2008.

respectively. The sections examine the role of internal and external actors in perpetrating economic crimes in the particular sectors, structural weaknesses in the industries, and the extent to which government policies contributed to the perpetration of economic crimes. In particular, this section seeks to examine the role of corporations in perpetrating economic crimes in Liberia and the extent to which corporations contributed to the perpetuation of violent conflict in Liberia.

7. The final subsections provide a brief conclusion and a series of recommendations for Liberia and the international community with respect to economic crimes.

### **Economic Crimes**

8. For the purposes of this report, TRC defines an economic crime as
  - i. Any prohibited activity committed for the purpose of generating economic gains or that in fact generates economic gains. It applies to any state or non-state actor with a link to the conflict in Liberia, including but not limited to public and private individuals, corporations, and other business entities whose economic activities contributed to those human rights and/or humanitarian laws violations in Liberia or that otherwise perpetrated armed conflict in Liberia as well as those who benefited economically from armed conflict in Liberia.
  - ii. any activity by a public or private person of any nationality, or domestic or international corporate entity conducting or facilitating business in or related to Liberia, or on behalf of the Liberian government, a Liberian business, or Liberian resident or citizen, committed with the objective of generating illicit profit<sup>3</sup> either individually or collectively or in any organized manner by engaging in, among others, the following activities: fraud, narcotic drug trafficking, money laundering, embezzlement, bribery, looting and any form of corrupt malpractices, illegal arms dealing, smuggling, sexual slavery, human trafficking and child labor, illegal mining, illegal natural resource extraction, tax evasion, foreign exchange malpractices including counterfeiting of currency, theft of intellectual property and piracy, open market abuse, dumping of toxic wastes and prohibited goods, and any other activity

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<sup>3</sup> Illicit profit may be defined as the significant increase in the assets of a public official, private person or corporate entity, which cannot be explained or justified in relation to one's position, income or corporate profit.

unlawful under domestic or international law.<sup>4</sup>

9. The international community has yet to adopt a definition for economic crimes. Since domestic and international criminal law and policy, particularly in the economic area, differs greatly among states, there is simply no consensus on the meaning of economic crimes. Consequently, most definitions of economic crime are descriptive in nature. For example, according to the United Nations Asia and Far East Institute (UNAFEI) "Report of the 128<sup>th</sup> International Training Course" economic crimes are defined as "offences which cause or risk causing substantial loss [on the victim]."<sup>5</sup> The report also describes economic crimes as "any action or omission that runs counter to the public economic policy."<sup>6</sup> For instance, economic crimes typically include money laundering, embezzlement, kickbacks, counterfeiting, tax evasion, banking and investment frauds, telephone fraud and smuggling among other illicit activities.<sup>7</sup> Economic crimes have also been defined as crimes that violate the economic rights of states and its citizens and or obstruct the economic development and policy of a state.<sup>8</sup>
10. However, in some instances, economic crime may rise to the level of a breach of international law. It has been argued that "acts of indigenous spoliation by high-ranking government officials"<sup>9</sup> are one such example of an international economic crime that is a breach of international law. Indigenous spoliation has been defined as the act of plundering the public resources of a state which "is committed for private ends by constitutional rulers, public officials or private actors."<sup>10</sup> While terms such as embezzlement, misappropriation, corruption or graft describe the illegal practices of public officials in both developed and developing countries, such terms do not adequately describe the phenomenon of indigenous spoliation, which may result in the destruction of the economic, social, and moral foundation of the victimized nation.<sup>11</sup> Indigenous spoliation

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<sup>4</sup> This definition was drawn from the meaning of economic crimes in domestic law both in Liberia and in other states and international law and doctrine in the regional context (e.g. the African Union Convention on Preventing and Combating Corruption).

<sup>5</sup> UNAFEI (United Nations Asia and Far East Institute), *Measures to Combat Economic Crime Including Money Laundering*, at 254, 128<sup>th</sup> International Training Course, Report of the Training Course available online at [http://www.unafei.or.jp/english/pdf/PDF\\_rms/no67/22\\_Group3\\_28\\_p254-p260.pdf](http://www.unafei.or.jp/english/pdf/PDF_rms/no67/22_Group3_28_p254-p260.pdf) (last accessed Oct. 28, 2008).

<sup>6</sup> UNAFEI (United Nations Asia and Far East Institute), *Measures to Combat Economic Crime Including Money Laundering*, at 107, Report of the Workshop, April 18-25, 2008, available at [http://www.unafei.or.jp/english/pdf/Money\\_Laundering\\_pdf/MeasuresToCombatCrime.pdf](http://www.unafei.or.jp/english/pdf/Money_Laundering_pdf/MeasuresToCombatCrime.pdf) (last accessed Oct. 29, 2008).

<sup>7</sup> *Id.* at 254.

<sup>8</sup> Tangham, Dohgangsine Prudence, *Economic Crime in Cameroon – Its Impact on the Sound Development of the State*, UNAFEI 126<sup>th</sup> International Senior Seminar Participant Paper, available at [http://www.unafei.or.jp/english/pdf/PDF\\_rms/no66/I\\_p132-p141.pdf](http://www.unafei.or.jp/english/pdf/PDF_rms/no66/I_p132-p141.pdf)

<sup>9</sup> Kofele-Kale, Ndiva, *The International Law of Responsibility for Economic Crimes*, Ashgate Publishing 2006 at 9.

<sup>10</sup> *Id.*

<sup>11</sup> *Id.* at 9-11.

is described as “the systematic looting and stashing in foreign banks of the financial resources of the State [and] the arbitrary and systematic deprivation of the economic rights of the citizens of a nation by its leaders, elected and appointed,” which can result in the destruction of the economic foundation of society.<sup>12</sup> Accordingly, acts of indigenous spoliation are typically perpetrated by heads of state and other high-ranking public officials that have unlawfully abused the public trust for private gain.<sup>13</sup>

11. While a single definition of economic crimes remains elusive, economic crimes have been criminalized through international conventions prohibiting corruption and fraudulent enrichment.<sup>14</sup> State practice at the domestic level has also prohibited economic crimes through domestic law.<sup>15</sup> Nigeria and Kenya, allegedly two of the countries with the highest levels of corruption in Africa, have nonetheless adopted anti-corruption and economic crimes law.
12. Article 40 of the Nigerian Economic and Financial Crimes Commissions (Establishment) Act of 2002 defines economic crimes as:

[N]on-violent criminal and illicit activity committed with the objectives of earning wealth illegally either-individually or in a group or organized manner thereby violating existing legislation governing the economic activities of government and its administration and includes any form of fraud, narcotic drug trafficking, money laundering, embezzlement, bribery, looting and any form of corrupt malpractices, illegal arms deal, smuggling, human trafficking and child labor, oil bunkering and illegal mining, tax evasion, foreign exchange malpractices including counterfeiting of currency, theft of intellectual property and piracy, open market abuse, dumping of toxic wastes and prohibited goods, etc.<sup>16</sup>

13. The Nigerian law has an important public connection because illegal activities “violate existing legislation governing the economic activities of *government and its administration*.”<sup>17</sup> But, the definition also lists drug trafficking, theft of intellectual property, human trafficking and other criminal acts.

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<sup>12</sup> *Id.* at 12.

<sup>13</sup> *Id.* at 15.

<sup>14</sup> *Id.* at 158. For example, see: United Nations Convention Against Corruption (2003), African Union Convention on Preventing and Combating Corruption (2003), First Protocol of 27 September 1996 to the Convention on the Protection of European Communities’ Financial Interests (1996), OECD Convention on Combating Bribery of Public Officials in International Business Transactions (1997), and the Council of Europe’s 1999 Criminal Law Convention on Corruption.

<sup>15</sup> *Id.* at 207

<sup>16</sup> Economic and Financial Crimes Commission (Establishment) Act of 2002, Laws of the Federation of Nigeria, Part VII, art. 40. Available at [http://www.nigerialaw.org/Economic%20And%20Financial%20Crimes%20Commission%20\(Establishment\)%20Act.htm](http://www.nigerialaw.org/Economic%20And%20Financial%20Crimes%20Commission%20(Establishment)%20Act.htm) (last accessed Oct. 29, 2008).

<sup>17</sup> *Id.* (emphasis added)

14. Under the Kenyan Anti-Corruption and Economic Crimes Act of 2003, an economic crime is: (a) an enumerated offense under § 45 of the Act;<sup>18</sup> or (b) “an offence involving dishonesty under any written law providing for the maintenance or protection of the public revenue.”<sup>19</sup> Under this definition, economic crimes appear to have a public nexus. For an act to fit under this definition, a public asset must be misappropriated, or public officials must unlawfully misuse their public authority for the granting or receiving of an economic benefit.
15. The African Union Convention on Preventing and Combating Corruption adopted by the Assembly of the African Union on July 11, 2003, does not provide a definition for economic crimes.<sup>20</sup> Notwithstanding, corruption is considered to be a type of economic crime.<sup>21</sup> The Convention binds state parties to enact legislation criminalizing acts of corruption and to establish, maintain and

<sup>18</sup> *Kenya Anti-Corruption and Economic Crimes Act of 2003*, Part I(2), available at [www.marsgroupkenya.org/Reports/LawsandConventions/Kenya\\_Anti-Corruption\\_and\\_Economic\\_Crimes\\_Act\\_2003.pdf](http://www.marsgroupkenya.org/Reports/LawsandConventions/Kenya_Anti-Corruption_and_Economic_Crimes_Act_2003.pdf) (last accessed Oct. 28, 2008). Section 45 of the Act lists various acts which would be considered economic crimes:

45(1) A person is guilty of an offence if the person fraudulently or otherwise unlawfully -

- (a) acquires public property or a public service or benefit;
- (b) mortgages, charges or disposes of any public property;
- (c) damages public property, including causing a computer or any other electronic machinery to perform any function that directly or indirectly results in a loss or adversely affects any public revenue or service; or
- (d) fails to pay any taxes or any fees, levies or charges payable to any public body or effects or obtains any exemption, remission, reduction or abatement from payment of any such taxes, fees, levies or charges.

(2) An officer or person whose functions concern the administration, custody, management, receipt or use of any part of the public revenue or public property is guilty of an offence if the person —

- (a) fraudulently makes payment or excessive payment from public revenues for —
  - (i) sub-standard or defective goods;
  - (ii) goods not supplied or not supplied in full; or
  - (iii) services not rendered or not adequately rendered;
- (b) wilfully or carelessly fails to comply with any law or applicable procedures and guidelines relating to the procurement, allocation, sale or disposal of property, tendering of contracts, management of funds or incurring of expenditures; or
- (c) engages in a project without prior planning.

(3) In this section, “public property” means real or personal property, including money, of a public body or under the control of, or consigned or due to, a public body.

<sup>19</sup> *Id.*

<sup>20</sup> See The African Union Convention on Preventing and Combating Corruption, 7/11/2003, Adopted by the 2<sup>nd</sup> Ordinary Session of the Assembly of the African Union. Liberia signed the convention on December 16, 2003, and ratified it on June 20, 2007.

<sup>21</sup> Paul D. Ocheje, *Refocusing International Law on the Quest for Accountability in Africa: The Case Against the Other Impunity*, 15 *Leiden J. Int'l. L.* 749-779, 770.

strengthen independent national anti-corruption agencies to combat the practice.<sup>22</sup>

16. The Convention also binds state parties to criminalize “illicit enrichment,”<sup>23</sup> which is defined as “the significant increase in the assets of a public official or any other person which he or she cannot reasonably explain in relation to his or her income.”<sup>24</sup> The definition focuses on the financial gain of the perpetrator, without describing the particular illegal means of enrichment. While the term *economic crime* is not located in the Convention, the definition of illicit enrichment in the Convention arguably provides a legal basis for an expansive definition of the term.
17. From this background and drawing on the meaning of economic crimes in domestic law (particularly from Nigeria) and international law and doctrine (e.g. African Union Convention on Preventing and Combating Corruption), the TRC adopted the aforementioned definition.

**Table 1. List of Individuals and Corporate Entities that the TRC Holds Responsible for Economic Crimes.**

This chart represents a list of violations constituting economic crimes that occurred in Liberia and a list of economic criminal actors between January 1979 – October 14, 2003. The chart is divided into four categories: (1) Individuals and (2) Corporate Actors/Public Agencies that the TRC has determined have committed economic crimes; and (3) Individuals and (4) Corporate Actors/Public Agencies that are suspected of economic crimes and should be investigated to confirm allegations.<sup>25</sup>

VIOLATION CODE	VIOLATION	VIOLATION CODE	VIOLATION
IAD	Illegal Arms Dealings	TE	Tax Evasion
IESNR	Illegal Extraction or Sale of natural Resources	IS	Indigenous Spoliation <sup>26</sup>
NDT	Narcotic Drug Trafficking	BR	Bribery
ML	Money Laundering	MPP	Misuse of Public Property/Funds
XT	Extortion	AAA	Aiding & Abiding EC Actors
LO	Looting	CMP	Corrupt malpractices
RO	Robbery	GPF	Government Procurement Fraud
FR	Fraud	SM	Smuggling and other custom violations
ENVC	Environmental crimes	DIS	Discrimination

<sup>22</sup> The African Union Convention on Preventing and Combating Corruption, at art. 5(1-3).

<sup>23</sup> *Id.* at art. 8.

<sup>24</sup> *Id.* at art. 1.

<sup>25</sup> Due to the immense scope of economic crimes committed in Liberia this list does not purport to represent the entirety of perpetrators of economic crimes in Liberia from 1979 – 2003. Additional investigation will undeniably uncover allegations against unknown perpetrators.

<sup>26</sup>

	ALLEGED PERPETRATOR	ASSOCIATED COMPANIES / PUBLIC INSTITUTIONS	CRIMINAL OFFENSE
1.	Ahmed Abdullad, Abdullah		IESNR
2.	Ahmed, Ali Said		AAA, IAD
3.	Allen Cyril		BR, AAA, XT, LO
4.	Bah, Ibrahim		IAD, IESNR, SM
5.	Basma, Hassan		CMP
6.	Basma, Jamil		CMP
7.	Bout, Victor		IAD, IESNR, FR, TE, AAA
8.	Brown, Lewis	Minister of State	MPP, AAA, CMP
9.	Charafeddine, Carmell	Cavalla Rubber	IESNR
10.	Chea, Daniel	OTC Security Forces	AAA, IAD, CMP
11.	Cheng, Teng Lung	Oriental Trading Company	IAD, AAA
12.	Cherny, Valery	Aviatrend	IAD, AAA, SM
13.	Cisse, Moussa	Anti-Terrorist Unit	SM, AAA
14.	Coleman, Peter	Minister of Health	BR, TE, AAA
15.	Cooper, Oscar	Inland Logging Company	IESNR, AAA, IS, TE
16.	Darwish, Ali		IAD, AAA
17.	Dennis, Coocoo	N/A	XT, LO, IAS, DIS, SM
18.	Doe, Samuel		AAA, CMP, IS
19.	Duo, Roland	Commander of Navy Rangers	AAA, XT, LO, IAD
20.	El-Dine, Talal		IAD
21.	Fawaz, Abbas	Maryland Wood Processing Industries	AAA, IAD
22.	Gebbah, Momo	Anti-Terrorist Unit	AAA, LO
23.	Ghailani, Ahmed Khalfan		IAD, SM
24.	Guei, Gen. Robert	Head of State, Cote D'Ivoire	IAD, AAA
25.	Habib, Adel		IESNR
26.	Haddad, George	Haddad Group International, Bridgeway Corporation	AAA, BR, CMP
27.	Joseph, Wong Kiia Tai	Oriental Trading Company	IS, AAA
28.	Jovan, Aleksic		IAD
29.	Jusko, Peter	Joy Slovakia	IAD
30.	Kaffel, Ali		IESNR
31.	Kleilat, Ali		IAD
32.	Kouwenhoven, Gus	Oriental Trading Company, Royal Timber Corporation	IAD, TE, FR, ML, AAA, ENV, IESNR, BR, SM, DIS
33.	Kuong, Chan Han	Oriental Trading Company	
34.	McArthur Emmanuel, Charles (aka Chucky Taylor, Jr.)	Exotic Tropical Timber	IAS, ML, LO, RO, TE, MPP, SM
35.	Minin, Leonid	Exotic Tropical Timber	IAS, ML, FR, TE, SM
36.	Mohammed Salame	Mohammed Group of Companies, BIN Liberia Incorporated	AAA, SM, IAD, IS

	ALLEGED PERPETRATOR	ASSOCIATED COMPANIES/PUBLIC INSTITUTIONS	CRIMINAL OFFENSE
37.	Mohammed, Fazul Abdullah		IAD, SM, AAA
38.	Nassour, Aziz		IESNR, IAD, ML, FR, TE, AAA
39.	Nassour, Zein		IAD, AAA
40.	Neal, Juanita	Ministry of Finance	AAA, MPP, CMP
41.	Ossaily, Samih		IAD, AAA, SM
42.	Peabody, Cora	Ministry of Commerce	MPP, AAA
43.	Popov, Papel	Mold Transavia	IAD
44.	Reeves, Cindor		IAD, SM
45.	Rindel, Fred	Private Consultant	IAD
46.	Ruprah, Sanjivan		IAD, AAA, TE, SM
47.	Salame, Yusuf	Mohammed Group of Companies	IAD, AAA, SM
48.	Samba, Ly		IAD, AAA
49.	Shanin, Ferial		AAA, ML
50.	Shaw, Emmanuel	Lone Star Airways, Lone Star Communications, PLC Limited, LNPC	IAS, CMP, FR, BR, XT, TE
51.	Sherif, Siaka	LPRC Controller	AAA, FR, CMP
52.	Snowe, Edwin	LPRC	MPP
53.	Sumo, William		LO, XT, AAA, IAD
54.	Taylor, Charles	President	IS, IAD, IESNR, ML, XT, LO, FR, ENVC, TE, MPP, SM, DIS
55.	Taylor, Demetrius Robert	Forestry Development Association	SM, FR, ENVC, DIS, CMP, BR,
56.	Urey, Benoni	PLC Limited, Lone Star Communications, Maritime	IAS, ML, TE, MPP, FR, XT, BR,
57.	Weah, Anthony	Police Chief, Grand Bassa County	BR, TE, AAA
58.	Yansane, Mohamed	Pecos	IAD
59.	Yeaten, Benjamin		IAD, SM, AAA, MPP
60.	Yelenik, Shimon		IAD, AAA
61.	D'Onofrio Ruggiero, Roger		IAD, SM, AAA
62.	Papa, Michele		IAD, AAAA, SM
63.	Oman, Nicholas		IAD, SM, AAA
64.	Meroni, Rudolf		IAD, SM, AAA

	CORPORATE ACTORS/STATE ACTORS	INDUSTRY/ORGANIZATION	CRIMINAL OFFENSE
1.	Mohammed Group of Companies		XT, FR, TE, AAA, SM
2.	Inland Logging	Timber	MPP, TE, IAD, BR, AAA, SM
3.	Oriental Timber Company	Timber	IAD, TE, MPP, IESNR, ML, LO, FR, ENVC, BR, AAA, SM, DIS
4.	Maryland Wood Processing Incorporated	Timber	MPP, IAD, TE, IESNR, FR, SM, AAA
5.	National Patriotic Front of Liberia (key leadership)	Warring Faction	IAD, XT, LO, IESNR, NDT, ML, RO, FR, ENVC, BR, MPP, AAA, CMP, SM, DIS
6.	Liberia Peace Council (LPC) (key leadership)	Warring Faction	LO, XT
7.	Liberian International Shipping and Corporate Registry (key leadership)	Maritime	IAD
8.	MODEL (key leadership)	Warring Faction	LO, XT
9.	LURD (key leadership)	Warring Faction	LO, XT
10.	Forest Development Association (Robert Taylor & other key leaders)	Government Agency	SM, FR, ENVC, DIS, CMP
11.	Ministry of Lands, Mine & Energy (ministers from 1997 - 2003)	Government Agency	IESNR
12.	Ministry of Finance (Juanita Neal & other key leaders)	Government Agency	AAA, MPP, GPF
13.	Minister of State (1997 – 2003)	Government Agency	MPP
14.	Bureau of Maritime Affairs	Government Agency	MPP, ML, IAD, BR, FR
15.	Minister of Commerce (Cora Peabody & others)	Government Office	MPP
16.	Minister of State	Government Office	MPP
17.	Firestone Corporation	Rubber	AAA
18.	Lone Star Communications	Telecommunications	AAA, FR, TE, BR, CMP, GPF,
19.	West Oil Investments/African Motors	Petroleum	BR, FR
20.	PLC Limited	Telecommunications	AAA, FR, XT, ML, TE, CMP
21.	Liberia Petroleum Refining Company	Petroleum	MPP

## Timber

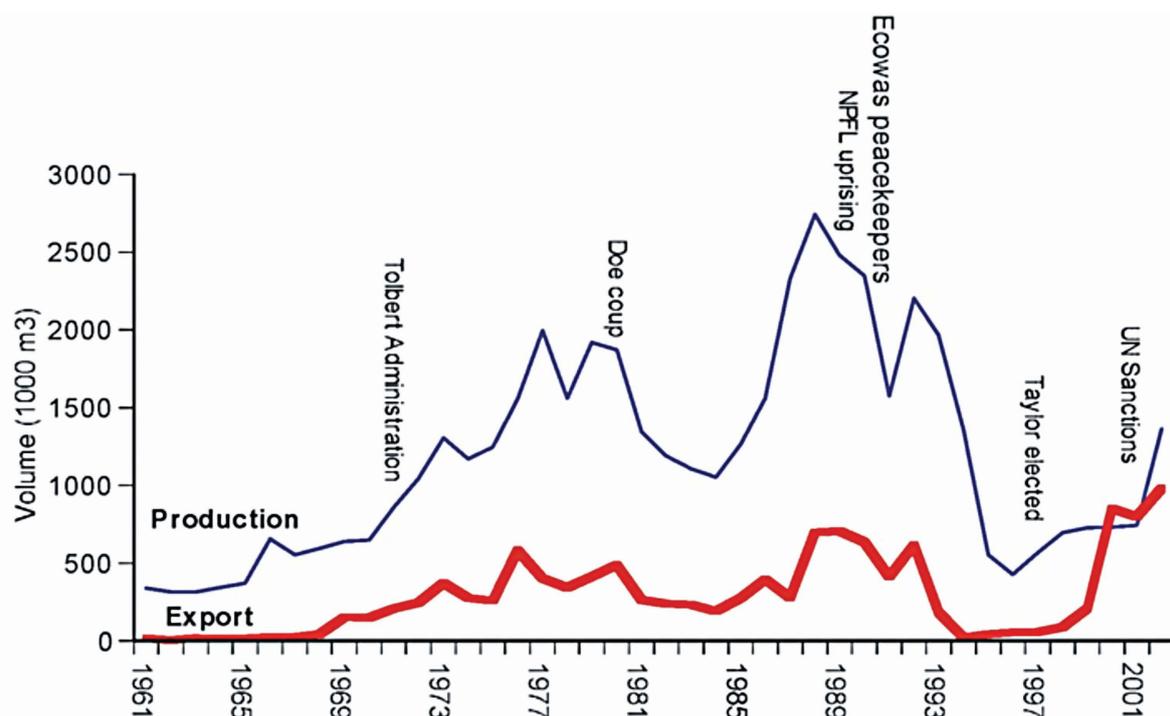
18. Timber is one of Liberia's most significant natural resources and is a central source of government revenue. Between 1979 and 2003, timber comprised over 50% of the country's reported exports. In 2001, the timber sector represented over 20% of Liberia's GDP.

**Table 2. Timber exports from Liberia, according to FAOSTAT.**

YEAR	(\$ MILLIONS USD)	YEAR	(\$ MILLIONS USD)	YEAR	(\$ MILLIONS USD)
1979	76.1	1988	93.7	1996	15.4
1980	96.2	1989	78.3	1997	7.7
1981	53.9	1990	152.1	1998	13.0
1982	41.6	1991	53.6	1999	24.5
1983	31.1	1992	69.9	2000	213.9
1984	23.7	1993	21.7	2001	228.3
1985	35.1	1994	4.1	2002	333.5
1986	51.1	1995	8.1	2003	178.1
1987	36.0				

19. Economic crimes in the Liberian timber sector impacted national and regional peace, security and rule of law in several ways. Logging revenue was unlawfully used by political elites and warring factions to fund armed conflict. Logging companies shipped, or facilitated the shipment of, weapons and other military material to warring factions. Logging companies also facilitated, and contributed to, the movement of suspicious funds and illegal economic gains out of Liberia and utilized security forces that operated as, or were, in fact, militia units that committed grave human rights abuses in Liberia and throughout the region. Lastly, the companies unintentionally contributed to conflict when logging operations were looted by warring factions.
20. **Table 3. Reported Timber Production and Export Volumes (1000 cubic meters) for Liberia between 1961 and 2002.<sup>27</sup>**  
(The volumes do not include smuggled timber and otherwise under-reported trade)

<sup>27</sup> United Nations Security Council, Report of the Panel of Experts pursuant to paragraph 25 of Security Council resolution 1478 (2003) concerning Liberia, UNSC S/2003/779, Fig. 2. (The volumes do not include smuggled timber and otherwise under-reported trade)



21. The timber trade fell after Samuel Doe's successful coup d'état, (Table 3.) but increased in the late 1980's as the Doe regime exploited timber revenue. In June 1990, the timber trade peaked after NPFL rebels gained effective control of over 90% of Liberia.
22. Beginning in 1976, the Forest Development Authority (FDA) was legally authorized to regulate and manage Liberia's forests and its timber section.<sup>28</sup> After the 1979 coup, and over the next two decades, the FDA operated under President Samuel K. Doe's People's Redemption Council (PRC) and, after Doe's assassination, under transitional governments. Notwithstanding, the transitional governments and the FDA played a very minor role in forest management in the 1990s, as nearly all of Liberia's forests were under the effective control of the NPFL and the National Patriotic Reconstruction Assembly Government (NPRAG). When Charles Taylor was elected president in 1997, he appointed Demetrius Robert Taylor (Robert Taylor), his brother, as the FDA's Managing Director.
23. Widespread economic crimes were jointly committed by high-ranking government officials, including the FDA, and logging companies, according to the 2005 report of the Forest Concession Review (FCR) Committee. In particular, the FCR Committee found evidence that: (1) the Government of Liberia permitted timber companies to engage in illegal logging in exchange for favors, such as facilitating arms trafficking to take place in logging corporation

<sup>28</sup> An Act Creating the Forestry Development Authority 1976.

controlled ports, in violation of UN Security Council Resolutions; (2) Logging companies engaged in widespread and systematic tax evasion; (3) timber corporations made millions of dollars in illegal payments to governmental officials in exchange for fraudulent tax receipts; (4) Illegal payments facilitated massive international money laundering; and (5) Logging companies paid for security forces composed of former rebel leaders that committed war crimes and gross violations of human rights.<sup>29</sup>

#### *Overview of Corruption and Economic Crimes in the Timber Sector*

24. Throughout the period of 1979 – 2003, successive governments were unwilling, if not unable, to regulate the timber sector leading to tremendous uncertainty regarding which entities and individuals had a legal right to log in Liberia. During its review, the FCR Committee invited logging companies to submit their claims for logging rights and forty-seven companies participated in the review process.<sup>30</sup> The FCR Committee found that successive governments in Liberia granted overlapping concessions to logging companies throughout the period of 1979 – 2003. Such concessions equaled 2.5 times the total area of forests in Liberia.<sup>31</sup> Successive governments provided new concessions to favor companies without regard to existing logging rights. Instead, companies were awarded concessions based on a patronage process that rewarded their ability to provide illegal financial, political and logistical support to controlling governments.
25. The FCR Committee sought to ascertain which companies were the legitimate claimants to the overlapping concessions by reviewing each company’s legal claim under prevailing Liberian law and FDA regulations. To have a legitimate claim to a concession, a corporation must: (1) be a *bona fide* legal business entity under Liberian law by having valid articles of incorporation and a business license; (2) have a valid, ratified contract for the land to be exploited; and (3) have posted a performance bond, which provides for a third party guarantor in the event that the logger is unable to pay for its taxes.<sup>32</sup>
26. The FCR Committee found that, between 1979 -2003, no single company had the legal right to log in Liberia.<sup>33</sup> (See Annex 1) Furthermore, only one third of the companies reviewed had articles of incorporation or a business license and only nineteen of more than seventy corporations had both. Notwithstanding,

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<sup>29</sup> Report of the Forest Concession Review Committee, Phase III, May 31, 2005. (hereinafter “FCR Report”)

<sup>30</sup> Id. at 27.

<sup>31</sup> Id. at 35.

<sup>32</sup> Id. at 8.

<sup>33</sup> Id. at 10.

logging companies aggressively harvested Liberia's forests, with the complicity of the FDA.

27. Throughout the conflict, smaller logging companies and civilians were violently removed from their land and from logging concessions by larger logging operations that operated with the support of government militia and rebel factions.
28. In the early 1990s, Bob Hope, an American national, operated Interior Timber Incorporated (ITI), a logging company that operated on the Sierra Leone/Liberia border in the Bella Yella area and in River Cess County.<sup>34</sup> The ITI concession hosted a NPFL and RUF training camp and provided the factions with an airstrip for military supplies.<sup>35</sup> In 1994, Hope allegedly arranged a logging concession in Sinoe County with George Bailey, a logger in Liberia, that excluded Charles Taylor.<sup>36</sup> On return from River Cess, Hope and his associates were murdered by NPFL militia members during an ambush.<sup>37</sup> General Cocoo Dennis looted and moved Hope's logging equipment to Grand Gedah County.<sup>38</sup>

#### *Overview of Oriental Trading Corporation (OTC)*

29. The establishment of the Oriental Trading Company (OTC) in Liberia caused an unprecedented increase in the volume of log production in the country and resulted in widespread and egregious economic crimes. While economic crimes were endemic in the logging industry, evidence collected by the TRC indicates that OTC was the largest logging company in Liberia during the peak production years of 1999 to 2003 and, due to its close relationship with the Charles Taylor regime, allegedly committed economic crimes of an unparalleled magnitude compared to other companies in the sector.
30. On July 28, 1999, the Forest Development Authority, under the management of Robert Taylor, granted 3,074,396 acres to the Liberian Forestry Development Corporation (LFDC), which represented the largest logging concession in Liberian history. LFDC was owned by two other corporations: OTC; and the Royal Timber Corporation (RTC), which allegedly was jointly owned by Charles Taylor and Gus Kouwenhoven, a Dutch businessman that was the subject of criminal prosecution in the Netherlands for participating in war crimes in Liberia and Guinea and illegal arms dealing in Liberia. OTC is also owned by

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<sup>34</sup> *Usual Suspects*, Global Witness, Mar. 2003, at 21.

<sup>35</sup> *Id.*

<sup>36</sup> *Id.*

<sup>37</sup> *Id.*

<sup>38</sup> *Id.*

Wong Kiia Tai Joseph, Teng Lung Cheng and Chan Han Kuong, three Indonesian-based businessmen.<sup>39</sup> The same day that the FDA granted the concession to LFDC, the LFDC signed a twenty-year management agreement with OTC to log the concession area.

31. In January 2000, OTC completed construction of a 108-mile four-lane road connecting Greenville to Buchanan. The road increased OTC's transportation capacity and enabled the company to log year-round. In 2000, logging production in Liberia nearly tripled from the previous year.<sup>40</sup> From 1997 – 2001, logging production in Liberia increased by more than 1,300%. OTC exported 26.6 million cubic meters (m3) of logs from the port of Buchanan with a free on board (FOB) value of \$597.5 million US dollars (USD) during its four years of operations (1999 – 2003).<sup>41</sup> In 2001, OTC exported 540,807 m3 of logs, which represented approximately two-thirds of total round log exports in Liberia.<sup>42</sup>
32. OTC and other logging companies committed widespread violations of logging regulations, such as clear cutting and cutting undersized trees. The UN Panel of Experts on Liberia stated that OTC harvested at least twice the legal rate.<sup>43</sup> Furthermore, Forest Resources Management, a World Bank contractor also concluded that OTC B, a subsidiary of OTC, had violated the legal cutting limits in each of its three years of operation.<sup>44</sup>
33. Beginning in January 2000, OTC unlawfully extracted approximately 80,000 m3 of logs monthly by clear cutting its concession area in violation of Liberian law and FDA regulations.<sup>45</sup> OTC's production was approximately seven times greater than the average large logging company in Liberia, which typically produces 10,000 m3 monthly.
34. Clear cutting is a logging practice in which most, if not all, of the trees in a harvest area are cut down. Clear cutting has devastating environmental effects. It substantially raises the risk of land erosion by leaving only bare dirt after a harvest. Furthermore, forests that are clear cut will not naturally regenerate, rendering the area useless for future forestry. Clear cutting also entirely

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<sup>39</sup> Blundell, Arthur, *On the benefits of incorporating forestry into the EITI*, Natural Capital Advisors, LLC, June 2008, at 30.

<sup>40</sup> *Plunder: The Silent Destruction of Liberia's Rainforest*, SAMFU Foundation, Sept. 2002 at 3.

<sup>41</sup> TRC ECU Review of OTC inventory spreadsheet of all logs shipped from Buchanan for the period of 12/24/1999 – 03/03/2003

<sup>42</sup> *Id.* at 13.

<sup>43</sup> See United Nations Security Council, Report of the Panel of Experts pursuant to paragraph 25 of Security Council resolution 1478 (2003) concerning Liberia, UNSC S/2003/779; Table 3.

<sup>44</sup> FCR Report.

<sup>45</sup> *Investigative Report on Oriental Timber Corporation - Special to the Perspective*, The Perspective Magazine, Mar. 20, 2000 available at <http://www.theperspective.org/otc.html> (Last visited June 20, 2009).

destroys the habitat of natural fauna.

35. Clear cutting violates Liberian law and FDA regulations. According to forestry laws in Liberia, certain species of trees must exceed 60 centimeters in diameter at breast height (DBH) to be harvested.<sup>46</sup> However, a significant portion of OTC's logs measured less than 40 DBH.
36. In 2002, the FDA cited OTC for cutting trees smaller than the minimum allowable diameter of 60 DBH, in violation of Liberian law and FDA regulations.<sup>47</sup> The FCR Committee also determined that OTC buried or burned logs that were undersized, leading to waste and environmental destruction.<sup>48</sup> The OTC concession overlapped into at least a dozen prior logging concessions claims.<sup>49</sup>

#### *Tax Evasion in the Timber Sector*

37. Tax evasion by logging companies in the timber sector was widespread and systematic. Between 1997 and 2001, the FDA failed to account for 732,592 m<sup>3</sup> of logs, approximately 30% of total logging production.<sup>50</sup> The FDA also failed to report the collection of any export duties over this period, although a minimum of \$10 million USD in export duties should have been recorded.
38. From the period of 1999 – 2003, nearly every logging company in Liberia evaded tax liability and FDA fees. Until 2003, the Central Bank of Liberia received no tax payments from the sector.<sup>51</sup> The FCR Committee estimated accumulated minimum tax arrears of US \$64 million USD.<sup>52</sup> According to the FCR Committee, 84% of the FDA's total tax assessments for this period were unpaid. Logging companies did not pay full taxes, falsely claimed tax credits for uncompleted work and overcharged the GOL for received tax credit. In addition, the companies failed to fulfill their contractual obligations to improve the Liberian community and obtained tax receipts –known as flag receipts- for depositing money into the accounts of government officials, most notably

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<sup>46</sup> See FDA Regulations, Regulation No. 17, Restricting the Export Size of Niangon Logs, § II. ("all niangon logs destined for export shall measure sixty (60) centimeters or above at the smaller end irrespective of first, second, or third logs.")

<sup>47</sup> TRC Interview with Forestry Development Authority employees Michelle Kumelay, manager of the FDA Scientific Research and Statistics Unit and former FDA production officer assigned to OTC, and Moses Wogbah, interview conducted at FDA office in Monrovia, July 10, 2007.

<sup>48</sup> Report of the Concession Review Committee, Forestry Development Authority, Paynesville, Liberia, May 13, 2004, at 12.

<sup>49</sup> SAMFU Foundation, *Plunder, The Silent Destruction of Liberia's Rainforest*, Sept. 2002, at 11.

<sup>50</sup> *Id.* at 11.

<sup>51</sup> FCR Committee meeting with James B. H. Dennis, Deputy Governor, Central Bank of Liberia (CBL), April 25, 2005.

<sup>52</sup> FCR Report at 36.

Charles Taylor.

39. The FCR Committee's estimate of \$64 million USD in total tax arrears for this period appears to be severely underestimated. Logging trade estimates do not include smuggling or transfer pricing, a practice of corporations to under-value exports to avoid paying taxes to the exporting country. In addition, all of the seventy-two companies that were analyzed in the FCR Committee report lacked sufficient documentation to confirm total arrears.<sup>53</sup> Lastly, the FCR's attempts to analyze banking records were frequently obstructed or rendered unfeasible by banking institutions. For instance, the FCR Committee was unable to examine the records of Tradevco bank, which held the records for several logging corporations, which was liquidated in 2003.
40. As a result, the total amount of taxes that were evaded by logging companies that operated in Liberia is unknown. A comparison of the published reports by importing nations indicates that Liberia only accounted for one-quarter of the value of the logging trade. Notwithstanding, timber was also illegally smuggled into Cote D'Ivoire, which was later exported to Europe to avoid tax payments. Therefore, it is estimated that loggers paid the Government of Liberia (GOL) less than 2-3% of taxes due. Such estimates do not include income taxes from operations or employee withholding taxes.
41. Two corporations, MGC and BIN Liberia Incorporated (BLI), a company associated with MGC, paid less than 1% of total revenue, approximately \$5,800 per month, despite earning revenue in excess of \$1 million USD monthly.<sup>54</sup> During this period, OTC earned \$213 million USD in income and accrued tax arrears of at least \$28,738,845 USD.<sup>55</sup> By its own records, OTC accumulated over \$11 million USD in export duties; however it is unclear whether OTC ever paid any of its duties during its three years of operations.<sup>56</sup> The records of the Ministry of Finance for Revenue indicated that OTC did not pay any taxes during the period of its operations.<sup>57</sup> Notwithstanding, Juanita Neal, Deputy Minister of Finance during the Taylor administration, confirmed that OTC bank statements were sent to Charles Taylor's executive mansion for review.<sup>58</sup>
42. Logging companies also paid millions of US dollars in exchange for illegal tax credits. For instance, OTC's report to the FCR Committee noted that it made

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<sup>53</sup> See FCR Report at 7.

<sup>54</sup> FCR Report at 19.

<sup>55</sup> FDA, Records submitted to the TRC ECU, July 11, 2007.

<sup>56</sup> TRC ECU Review of OTC inventory spreadsheet of all logs shipped from Buchanan for the period of 12/24/1999 – 03/03/2003

<sup>57</sup> Letter to the TRC from the Assistant Minister of Finance for Revenue, 8/13/2007.

<sup>58</sup> TRC Interview with Juanita Neal, Deputy Minister of Finance.

payments of \$13,784,399 to government officials in lieu of tax payments.<sup>59</sup>

43. Logging companies also committed tax evasion through improper tax write-offs. For instance, Maryland Wood Processing Industries' (MWPI) agreement with the GOL precluded tax credits for items such as road building. However, MWPI received \$562,500 in credit for construction of the Kongbo-Kolahun highway, renovating the Presidential Palace and for various other items.<sup>60</sup>
44. The FCR Committee concluded that almost all logging companies failed to comply with their contractual obligations to Liberian local communities in the logging areas. Concession holders were obligated to build hospitals, schools and roads and hire locals as unskilled labors and provide them with training opportunities. Notwithstanding, the overwhelming majority of companies did not provide any benefit to the local community in the regions that they operated, according to the FCR Committee.<sup>61</sup> For example, the University of Liberia granted 284,000 acres of university forest to OTC, in exchange for \$2 million USD in renovations to the University of Liberia and 50% of profits, according to President Taylor. No payments were ever made.<sup>62</sup>

#### *Bribery and Illegal Payments to Government Officials*

45. Logging companies and individuals in the logging sector made millions of dollars of illegal payments to government officials and leaders of warring factions. OTC reportedly made at least \$7.9 million in payments directly into Charles Taylor's bank accounts in exchange for tax credits, according to the FCR Committee.<sup>63</sup> OTC also made \$13.4 million in other payments to unknown bank accounts that included \$1.9 million to known arms traffickers.<sup>64</sup>
46. The TRC also received testimony that OTC unlawfully paid \$25,000 in "gratuities" every month to numerous government ministries and agencies, including: (1) Finance; (2) Commerce; (3) Forestry; (4) Justice; (5) Police; (6) several county officials in Buchanan; (7) National Security Agency; and (8) National Bureau of Investigation.<sup>65</sup> OTC also paid monthly sums of \$1,000 and \$500 to Dr. Peter Coleman, the Minister of Health, and Anthony Weah, the police

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<sup>59</sup> FCR Report.

<sup>60</sup> See FCR Report.

<sup>61</sup> See FCR Report.

<sup>62</sup> Anderson, Richmond, *Report of Public Affairs Director*, The News Apr. 6, 2000.

<sup>63</sup> Bank Statements for Charles Taylor showing deposits by Natura Holdings (associated with Kouwenhoven and OTC)

<sup>64</sup> Id.

<sup>65</sup> TRC Interview Barney Maxwell, former OTC financial assistant from 2000 – 2003;

chief of Grand Bassa County, respectively.<sup>66</sup> The witness also indicated that Kouwenhoven and John Tang likely paid out larger sums to individuals personally, without lower level accountant involvement.<sup>67</sup>

47. OTC provided bags of cement worth \$10,000 USD and cash payments of \$10,000 USD monthly to Robert Taylor, FDA Director. OTC also purchased large shipments of rice from Bridgeway Corporation, a Lebanese owned corporation, and remitted 10% of the purchase price directly to Charles Taylor.<sup>68</sup>

#### *Logging Company Involvement with Grave Violations of Human Rights*

“Logging companies now constitute the most powerful and politically insulated layer of our national bureaucracy. Logging companies’ private armed militias have now replaced our national police apparatus in rural Liberia.”

Milton Teahjay, former media advisor to Charles Taylor<sup>69</sup>

48. After Charles Taylor was elected president in 1997, the Liberian forest was divided primarily among four companies that were closely connected to Charles Taylor: (1) OTC, which controlled large areas in the Grand Bassa/River Cess Counties; (2) The Mohammed Group of Companies (MGC) in Grand Gedeh County; (3) The Inland Logging Company (ILC) in Sinoe County; and (4) Maryland Wood Processing Industries (MWPI) in Maryland County. Each of these companies maintained effective control over their concessions by using security forces connected to the Taylor regime. OTC President, Gus Kouwenhoven, obtained the support of Roland Duo, commander of the Navy Rangers and director of OTC’s Lion Heart security.<sup>70</sup> MGC, which was directed by Mohammed Salame, utilized security provided by Cocoo Dennis and Moussa Cisse, two members of Liberia’s Anti-Terrorist Unit (ATU). ILC was directed by Oscar Cooper, a NPFL General known as Captain Marvel. MWPI was operated by Robert Taylor, FDA Managing Director, and directed by Abbas Fawaz. Taylor allegedly hired Colonel William Sumo to provide security in the South-Eastern region.

49. According to the UNSC Panel of Experts, this arrangement provided security to

<sup>66</sup> TRC interviews with a former OTC financial assistant and administrator and members of civil society in, and around, Grand Bassa County.

<sup>67</sup> *Id.*

<sup>68</sup> *Id.*

<sup>69</sup> Johnston, Patrick, *Timber Booms and State Busts: The Political Economy of Liberia Timber*, Rev. Afr. Pol. Econ. 101:441

<sup>70</sup> 020927.doc; LJN: AY5160, Rechtbank’s-Gravenhage, 09/75/0001-July 28, 2006.

the timber companies, established an additional revenue stream for Charles Taylor, employed and compensated a number of combatants loyal to Taylor, ensured a loyal security force at major ports, which could be tasked with controlling the Liberian army, and increased Taylor's ability to effectively control territory against MODEL and other rebel groups.<sup>71</sup>

50. It is unclear whether corporations willingly hired former NPFL fighters as security forces or were coerced into the arrangement by orders of Taylor. Nevertheless, each corporation had the choice of refusing to operate in Liberia.
51. The security forces of the OTC, MGC, MWPI and ILC each committed gross violations of human rights and/or war crimes to maintain control over their respective logging areas, the local community and their employees. The security forces of the logging companies were nearly indistinguishable from the former NPFL rebels. For instance, OTC security members that violated directives were sent to the war front as punishment.<sup>72</sup>
52. OTC's security force was controlled by Roland Duo. Mark Keshan, Henry Weeks, General Garpue Guah, James Carter, Steven King and Joseph Dehmie also commanded OTC forces. OTC paid a salary to NPFL fighters to serve as its security force, provided a regular supply of rice and treated wounded NPFL fighters at the company's medical clinic.<sup>73</sup>
53. OTC's security force committed human rights abuses against civilians that lived near the logging camps and its employees. OTC's security force allegedly forcibly recruited Liberian children to serve as combatants.
54. NPFL fighters, under the command of Roland Duo, looted and extorted other logging companies to occupy more territory for the benefit of the NPFL and OTC. Between 1996 to 1997, the NPFL intimidated Carlton Resources (CR), a logging company owned by John Gbedze that operated in Sinoe County, by unlawfully detaining a Carlton Resources employee after he refused to pay Roland Duo \$1,000 USD after Duo seized a company vehicle.<sup>74</sup> In 1997, NPFL fighters, acting on the direction of Duo, allegedly destroyed CR logging equipment. CR personnel fled the concession and traveled to Monrovia.<sup>75</sup>

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<sup>71</sup> United Nations Security Council, *Letter dated 1 June 2004 from the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia addressed to the President of the Security Council*, June 1, 2004, UNSC S/2004/396 at para 115.

<sup>72</sup> TRC interview with a former financial assistant to OTC.

<sup>73</sup> Prince Alex Diahkah, former OTC production clerk in Camp D and plywood factory machine operator in Buchanan, 2002 – 2003, TRC Interview.

<sup>74</sup> TRC ECU Interview with former Carlton Resources employee, employed Jan. 1996 – Aug. 1997.

<sup>75</sup> *Id.*

When CR employees returned to the concession from Monrovia, Duo allegedly demanded payment for CR to reoccupy its concession. ILC also placed roadblocks along the roads to prevent CR from removing its logging equipment. The equipment was later provided to OTC, which logged CR's concession.<sup>76</sup>

55. In February 2003, OTC militia shot and killed a civilian, Mike Massa, who removed a log stump from an OTC yard.<sup>77</sup>
56. During the construction of a 108-mile road, OTC forcibly destroyed neighboring residents' homes and farms without providing compensation. In November 1999, armed OTC security forces intimidated and prevented FDA officials from inspecting concession areas.
57. MWPI security forces, led by Col. William Sumo, attacked hundreds of civilians in Freetown and Salor because the local community had denied the militia access to the area. Sumo also directed the killing of civilians at Youghbor, near Fish Town. The UNMIL CIVPOL Serious Crimes Unit later discovered more than 200 bodies at the site to corroborate witness testimony.
58. Mohammed Group of Companies (MGC), along with an associated company, BIN, transported military forces to Grand Gedeh County to violently suppress civil unrest against the company. The TRC also learned that the Liberia Agricultural Logging and Mining Corporation (LALMC) was forcibly removed from their concession by the Mohammed Group of Companies (MGC), a company controlled by Mohammed Salamé, a close business associate of Taylor. Mr. Salamé was an Ambassador-at-Large during the Taylor regime and an Ambassador Plenipotentiary during the subsequent National Transitional Government of Liberia (NTGL), who was later placed on a United Nations travel ban and asset freeze list. The MGC brought in Taylor's elite Anti-Terrorist Unit (ATU) forces to physically assault members of the Garr clan in Saniquellie, after they attempted to stop the MGC from cutting down trees on their land.<sup>78</sup>
59. ILC security forces controlled the port of Greenville and allegedly threatened other loggers that utilized the port. It also looted other logging companies, such as LTPOC, a small logging concession. In March 2001, Milton Teahjay and Solomon Kun, Greenville's superintendent, publicly criticized ILC for ignoring local government directives and mistreating civilians. Teahjay was immediately dismissed from the Taylor government and *The Journalist*, a Liberian newspaper

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<sup>76</sup> *Id.*

<sup>77</sup> FCR Committee Report, at 29.

<sup>78</sup> TRC ECU Interview with Stanley N. Mahn, General Manager, and Moses Dahn, CEO, Liberia Agricultural Logging and Mining Corporation, Oct. 15, 2007.

that reported Teahjay's comments on July 17, 2001, was closed by the Liberian Ministry of Information. ILC militia also tried to recruit port security near the port of Greenville to join the NPFL by promising to pay each new recruit \$150 USD upon their return from the war front.<sup>79</sup>

60. OTC strictly segregated its workers based on race and nationality at logging camps, according to a TRC witness that worked in OTC's Camp D, which he believed was located on the border of Grand Gedeh County.<sup>80</sup> Among Camp D's 900-1,000 workers, 500 were Liberians, 200 were Ivoirians that supervised the Liberians and approximately 180 were Indonesian workers that performed skilled manual labor. Twenty workers were of Chinese-Malaysian descent and supervised the camp. The Chinese-Malaysian workers had the most privileges and best living conditions, whereas the Africans and Liberians, in particular, received the worst quality food, were frequently forced to eat on foot and were only allowed to visit the camp's medical clinic once a month.<sup>81</sup> The families of workers that died at the camps received \$50,000 Liberian Dollars (LD) and three bags of rice. Workers that were injured on duty received no compensation.<sup>82</sup> Camp D's security force was staffed with NPFL fighters armed with AK-47 assault rifles. John Teon, its factory supervisor, physically assaulted workers and intimidated workers with a handgun. The ethnic Chinese-Malaysians brought in women to serve as prostitutes. Some of the women were reportedly physically abused.<sup>83</sup>
61. The majority of Liberians that worked in the logging sector were employed as "daily hires" with no contracts or health insurance benefits. Workers that refused to report to work were frequently physically assaulted or tortured. The OTC's salary payments were made on an irregular basis and logging companies rarely provided explanations for delays in salary payment.<sup>84</sup>

#### *Looting by warring factions*

62. The amount of property looted from the logging sector by government forces, rebel groups and logging company security forces cannot be calculated because many logging corporations did not report claims to the TRC. According to claims submitted by less than 15% of the logging sector that operated in Liberia, more than \$133 million USD in equipment were looted by militia and the

<sup>79</sup> TRC EU Interview with Joseph Chenwilah, Casual Security, Port of Greenville,

<sup>80</sup> Prince Alex Diahkah, former OTC production clerk in Camp D and plywood factory machine operator in Buchanan, 2002 – 2003, TRC Interview.

<sup>81</sup> *Id.*

<sup>82</sup> *Id.*

<sup>83</sup> *Id.*

<sup>84</sup> "What the People Say": A Contribution of Liberians' Voices and Ideas About Timber Exploitation in Liberia, Search for Common Ground Talking Drum Studio, Liberia, July 2005, at 11-12.

security forces of other logging companies. The total amount of property looted is likely much higher.

63. Alleged perpetrators of looting in the logging sector included NPFL forces, LURD and MODEL rebel groups, OTC security forces, and ATU officers.
64. In 1990, Universal Forestry Development Corporation (UFC), a logging corporation established in 1984, closed operations due to armed conflict in Jeadeapo, Sinoe County. Shortly thereafter, NPFL fighters, acting on the orders of Charles Taylor, allegedly looted all of UFC's logging equipment, which was valued at over \$7,145,000 USD. The equipment was later taken to Taylor's farm near Gbarnrga, in Bong County.<sup>85</sup>
65. Liberian Logging and Wood Processing Corporation (LLWPC), a company owned by Nassir Charafeddine, a Lebanese national, logged a concession in Glio Konabo District in Grand Gedeh County. In August 1990, the corporation abandoned its camp to escape armed conflict. LLWPC estimated that \$25 million USD in equipment was looted by unknown individuals.<sup>86</sup> In May 2003, Togba Timber Company (TTCO), a logging company that operated in Maryland County, was looted and vandalized by MODEL fighters and TTCO incurred approximately \$4 million USD in damages.<sup>87</sup>
66. One former logger stated that OTC forces looted 5,000 m<sup>3</sup> of the company's logs and that Kouwenhoven took no action after being notified.<sup>88</sup> Momo Jibba, Charles Taylor, Jr. and other ATU officers allegedly looted logging equipment worth approximately \$1 million during the conflict, which was moved to Taylor Jr.'s compound in Congo Town.<sup>89</sup>
67. In May 1998, Cocoo Dennis, accompanied by forty-five NPFL members, seized approximately \$355,000 USD in logging equipment from B & Sons Logging Corporation, a company owned by David S. Barjibo and RETCO, a company based in Cote D'Ivoire.<sup>90</sup>
68. In February 2002, OTC unlawfully removed 5,000 m<sup>3</sup> of logs from the concession of EJ&J Investment Corporation, a logging company in River Cess owned by Eliza Kronyanh.<sup>91</sup> After Kronyanh complained to Kouwenhoven that

<sup>85</sup> TRC ECU Interview, Jin Soo Kyung UFC President, and Patrick S. Saydee, UFC Representative, Oct. 6, 2007

<sup>86</sup> TRC ECU interview, Nassir Charafeddine, President of TTCO and LLWPC, Oct. 9, 2007.

<sup>87</sup> *Id.*

<sup>88</sup> TRC ECU Interview, Employee of EJ & J Investment Corporation, TRC Interview, Monrovia.

<sup>89</sup> *Id.*

<sup>90</sup> TRC ECU Interview, David S. Barjibo, owner B & Sons Logging Corporation, Oct. 19, 2007.

<sup>91</sup> TRC ECU Interview, Ms. Eliza Kronyanh, President, EJ&J Investment Corporation, Oct. 21, 2007.

her concession was being logged by OTC, the ATU, led by Charles Taylor, Jr. and Momo Jibba, allegedly looted EJ&J's equipment, valued at approximately \$700,000 USD.<sup>92</sup>

69. Between 2002 and 2003, LURD fighters looted the property of several logging companies. On December 6, 2001, the LURD looted an estimated \$337,000 in logging equipment from TUTEX Wood Management Corporation in Gbarpolu County.<sup>93</sup> After LURD advanced towards Monrovia in 2002, unknown actors allegedly looted an estimated \$634,000 in equipment from North Eastern Timber Company (NELCO), a small logging company that operated in Grand Bassa County.<sup>94</sup>
70. The TRC has also received information that the allocation of concessions, as well as the targeting of logging companies for looting by warring factions was in certain instances based on the ethnic composition of the company's owners. For example, Robert Taylor, FDA Managing Director allegedly allocated a concession area that was previously logged by Mozara Timber Company (MTC), a company owned by Ayouba Jawaraka, to a Lebanese logging company. When the owner inquired why the concession was reallocated he was told that because he was a Mandingo his logging proceeds could be used to support the LURD.<sup>95</sup> In May 2002, after Gbarnga was captured by the LURD, the ATU looted all of MTC's equipment valued at approximately \$701,500 USD.<sup>96</sup>

#### *Economic Crimes Associated with Port Operations*

71. Charles Taylor allegedly transferred control over port operations to logging corporations composed of security forces and ethnic Lebanese entrepreneurs.<sup>97</sup> OTC, ILC and MWPI allegedly operated the ports of Buchanan, Greenville and Harper, respectively. Port fees were paid directly to the corporations. For instance, TTCO allegedly paid \$160,000 directly to MWPI from 2000 – 2003.<sup>98</sup> In addition, the National Patriotic Reconstruction Assembly Government charged logging companies payments directly for port managers' salaries, National Security Agency wages and utility costs, in lieu of taxes.

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<sup>92</sup> *Id.*

<sup>93</sup> TRC ECU Interview, John S. Deah, President of TUTEX Wood Management Corporation, Oct. 9, 2007.

<sup>94</sup> TRC ECU Interview, Ricks Y. Toweh, Head of North Eastern Timber Company (NELCO), Oct. 9, 2007.

<sup>95</sup> TRC ECU Interview, Ayouba Jawaraka, President, Mozara Timber Company, Oct. 15, 2007.

<sup>96</sup> *Id.*

<sup>97</sup> Reno, William, *Warlord Politics & African States*, (Lynne Rienner, Publ., 1999) at 96.

<sup>98</sup> TRC ECU Interview, TTCO, Monrovia, Liberia.

72. According to the Buchanan Port Authority, OTC evaded approximately \$20 million annually in docking fees and paid only an annual docking fee of \$1,000,000.<sup>99</sup> The company also discriminated against its Liberian workforce. For instance, foreign truck drivers were routinely paid \$100 USD for safely delivering a load of logs, whereas Liberian drivers were only paid \$10 USD.<sup>100</sup>

#### *Logging Sector Involvement in Illegal Arms Dealing*

73. During the period of 1979 – 2003, timber was used extensively as an asset to exchange for arms shipments and military support. During his presidency, Samuel Doe allegedly provided Yona, an Israeli timber company, with access to Liberian logging concessions in exchange for military support.<sup>101</sup> In 1989, a British arms producer connected to Mark Thatcher sought to exchange automatic weapons and troop carriers for a 330,000 acre logging concession.<sup>102</sup> During 1999 – 2003, several of the largest logging companies were involved in illegal arms deals.
74. OTC paid for and organized numerous weapons deliveries to Liberian militia and the RUF regime in Sierra Leone through the port of Buchanan, which it controlled, in violation of UN Security Council Resolution 788. The TRC has identified at least eight arms shipments that were organized by OTC; six of the arms shipment arrived via sea, while at least two shipments were delivered via air. In addition, OTC paid for at least four arms shipments in 2001.<sup>103</sup> A number of witnesses informed the TRC that the Antarctic Mariner, a ship that docked in the port of Buchanan, regularly brought weapons to the OTC and that Kouwenhoven would arrive in a helicopter to supervise the offloading of the weapons. Weapons deliveries were also supervised by Roland Duo, Cocoo Dennis, and Daniel Chea.<sup>104</sup> OTC security forces guarded the ports with AK-47 assault rifles.<sup>105</sup>

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<sup>99</sup> Samuel Togba, Buchanan Port Authority General Supervisor, TRC Interview; According to the witness' statement, four OTC ships docked at Buchanan every month. Vessels engaged in logging transportation are each typically charged \$100,000. Based on fifty-two weeks of operations, OTC would accrue \$20,800,000 USD in docking fees.

<sup>100</sup> Obediah Zangar Sr., Mayor of Buchanan City, TRC Interview

<sup>101</sup> Reno, *Warlord Politics & African States*, (1999)

<sup>102</sup> Reno, *William Warlord Politics & African States*, (1999)

<sup>103</sup> Excerpts from International Intelligence Sources received by the TRC ECU. According to OTC invoices obtained by the TRC ECU dated from September 2001 – November 2001, OTC purchased thousands of AK-47 assault rifles and ammunition, hand grenades, anti-personnel land mines, anti-aircraft missiles and other weapons.

<sup>104</sup> TRC ECU Interview, Estelle Pailey, former OTC employee in the Personnel Department, 1999 -2002, Apr. 13, 2007

<sup>105</sup> TRC ECU Interview, Obediah Zangar Sr., Mayor of Buchanan City.

75. The OTC also paid \$500,000 to Sanjivan Ruprah, a known arms dealer, for the purchase of two Mi-2 helicopters, as well as spare parts for Mi-17 and Mi-24 helicopters, in violation of UN Security Council Resolution 788. Kouwenhoven testified during his criminal trial in the Netherlands that he paid \$1 million to Fred Rindel, a private security consultant, for military training and a patrol boat.<sup>106</sup>
76. Leonid Minin, a Ukrainian-Israeli citizen and known arms dealer, delivered weapons illegally to Liberia in exchange for illicit diamonds from Sierra Leone and access to logging concessions.<sup>107</sup> Minin established a Liberian logging corporation known as Exotic Tropical Timber Enterprise (ETTE) and Mohammed Salame organized the arms for timber deals on his behalf.<sup>108</sup> On December 22, 1998, Minin organized and delivered a shipment of weapons through Niger using a BAC-111 aircraft owned by one of his companies. Upon arriving in Monrovia, the weapons were loaded into Liberian military vehicles and delivered to former NPFL fighters.<sup>109</sup> Through 1999 – August 2000, Minin shipped hundreds of tons of weapons earmarked for the NPFL.<sup>110</sup> Between March 17 and March 30, 1999, weapons were also delivered on at least six occasions from Burkina Faso to Liberia using the same aircraft.<sup>111</sup> The shipments allegedly included five million rounds of AK-47 ammunition, fifty M-93 30mm grenade launchers, 10,000 munitions for the launchers, and heavy weapons such as anti-tank and anti-aircraft missiles.<sup>112</sup> Minin's partner in logging operations was Charles McArthur Emmanuel, Charles Taylor's son. In August 2000, Minin was arrested for illegal arms trafficking in Italy.<sup>113</sup>
77. During 1997 – 2001, Viktor Anatolyevitch Bout, a former Russian military officer and weapons smuggler, known as "The Merchant of Death", also sold weapons to the Taylor regime utilizing a variety of agents and individuals, including: (1) Pecos, a Guinean corporation established by Mohamed Yansane, a Guinean engineer, in 1997, to serve as a front company for illicit arms imports into Liberia;<sup>114</sup> (2) Sanjivan Ruprah, a Kenyan national of Indian descent that worked for Bout before establishing his own arms smuggling operation in 1999;<sup>115</sup> and (3) Joy Slovakia, a Slovakian company that moved its operations to Guinea in

<sup>106</sup> 020927.doc; LJN: AY 5160, Rechtbank's-Gravenhage, 09/750001-05 July 28, 2006.

<sup>107</sup> UNSC S/2000/1306; UNSC S/2001/1015; UNSC S/2002/1408

<sup>108</sup> UNSC S/2001/1015, para. 217.

<sup>109</sup> UNSC S/2000/1306, para. 36.

<sup>110</sup> Excerpts from International Intelligence Sources received by the TRC ECU.

<sup>111</sup> *Id.*

<sup>112</sup> Mitchell, Greg, *Terrorists Prefer Diamonds, How Predation, State Collapse and Insurgency Have Fashioned the International Exploitation of Sierra Leone's War Economy*, Mar. 2005.

<sup>113</sup> *Following Taylor's Money: A Path of War and Destruction*, Coalition for International Justice, May 2005, at 27.

<sup>114</sup> Excerpts from International Intelligence Sources received by the TRC ECU.

<sup>115</sup> *Id.*

- 1998 and was directed by Peter Jusko, a Slovakian national.<sup>116</sup> Bout shipped weapons that originated from Kyrgyzstan, Moldova and Slovakia and utilized the following corporations: Ariama Airlines, Afghanistan's state-owned airliner; San Air General Trading and Centrafica, two companies established by Bout; Air Cess, a cargo airline based in the United Arab Emirates; Mold Transavia, a company directed by Papel Popov, a close associate of Bout; and West Africa Air Service, a Bout-owned air transport company operated by Ruprah.<sup>117</sup>
78. Between April 7, 2000 and August 23, 2000, Ruprah also organized the illegal shipment of more than 100 tons of ammunition and military material valued at \$5,326,000 USD to Liberia through Cote d'Ivoire with forged end-user certificates. The deal allegedly involved the collaboration of Ruprah, Leonid Minin, Mohammed Salame, Yusuf Salame, and Valery Cherny, who was Minin's party in Russia and operated Aviatrend, a Russian company. The transactions also involved General Robert Guei, the former head of state of Cote D'Ivoire, who allegedly signed the forged end-user certificates.<sup>118</sup> Charles Taylor provided Ruprah with a Liberian diplomatic passport under the fictitious name of Samir M. Nasr and named him Deputy Commissioner of Maritime Affairs. Mohammed Salame also allegedly used MGC, his company, to illegally traffic arms. In 2002, MGC obtained written approval for \$750,000 in tax credits for "military costs".<sup>119</sup>
79. Abu Fawaz, the director of MWPI, also engaged in illegal arms trafficking from the port of Harper, which was controlled by his company. On May 10, 2001, *Abu 1*, a MWPI ship, allegedly delivered an arms shipment which was collected by an ATU helicopter.<sup>120</sup> On May 10, 2002, 30 tons of weapons allegedly arrived from Bulgaria via Nice, France, in the port of Harper.<sup>121</sup> On December 19, 2002, nineteen camouflaged trucks loaded with weapons and ammunition allegedly arrived via sea.<sup>122</sup> In addition, a Liberian coastguard ship made regular trips to Harper to deliver food in October and December 2002. However, witnesses allege that the ship actually delivered weapons from a vessel stationed at sea.
80. At least seventeen logging companies either supported militias in Liberia, participated in, or facilitated, illegal arms trafficking, or otherwise aided or abetted civil instability:<sup>123</sup>

<sup>116</sup> Nicholson, Tom, *Joy Slovakia Linked with Illegal Arms to Africa*, The Slovak Spectator, Nov. 26, 2001.

<sup>117</sup> Excerpts from International Intelligence Sources received by the TRC ECU.

<sup>118</sup> *Taylor-Made: The Pivotal Role of Liberia's Forests and Flag of Convenience in Regional Conflict*, Global Witness, Sept. 2001, at 10

<sup>119</sup> FCR Report.

<sup>120</sup> *Taylor-Made: The Pivotal Role of Liberia's Forests and Flag of Convenience in Regional Conflict*, at 18.

<sup>121</sup> *The Usual Suspects*, Global Witness, Mar. 2003, at 10.

<sup>122</sup> *Id.*

<sup>123</sup> FCR Report at 28.

- a. BIN Liberia Inc. (BLI)
- b. Cavalla Timber (CT)
- c. Exotic Tropical Timber Enterprise (ETTE)
- d. Forestry and Agricultural Products Corporation (FAPC)
- e. Inland Logging Corporation (ILC)
- f. Jasus Liberian Logging Corporation (JLLC)
- g. Liberia Forest Development Corporation (LFDC)
- h. Lofa Logging Company (LLC)
- i. Maryland Wood Processing Industry (MWPI)
- j. Natura Liberia Inc. (NLI)
- k. Mohammed Group of Companies (MGC)
- l. Oriental Timber Corporation (OTC)
- m. Royal Timber Corporation (RTC)
- n. Salami Mohammed Inc. (SMI)
- o. Timber Management Corporation (TMC)
- p. Togba Timber Corporation (TTCO)
- q. United Logging Corporation (ULC)

## **Mining**

81. Because the NTGL did not conduct a concession review of the mining sector or the Ministry of Lands, Mines, and Energy for the period of 1979 – 2003, the TRC has limited information about economic crimes committed by mining corporations. Until a formal concession review is conducted, it will not be clear the extent to which mining companies operated unlawfully. However, the evidence available to the TRC demonstrates that a devastating amount of economic crimes were committed in the Liberian mining sector. Much like the timber sector, Liberia's mineral wealth was systematically exploited by the Liberian political elite for personal benefit through networks and partnerships with opportunistic foreigners. Licenses for the mining sector were not allocated in a transparent and legal manner, and corporations consistently failed to pay appropriate taxes. The sector also facilitated money laundering, terrorism, bribery of public officials and illegal arms trafficking. Security forces associated with mining companies also committed grave violations of human rights.
82. In the 1980s, Samuel Doe sought to centralize control over the mining sector by transferring mining rights to corporations run by compliant foreign investors. As a result, most of the large mining companies abandoned their operations during his period in office. Prior to 1991, official government diamond sales in Liberia equaled \$150 million yearly. However, after the war began in 1991, diamond sales dropped to only \$30 million, indicating approximately \$100

million in yearly revenue to rebel factions.<sup>124</sup>

83. In 1989, Liberia-Swedish-American Mining Company (LAMCO), which operated an open pit iron ore mine, the largest mining operation in Liberia, ceased operations. The company was replaced by the Liberian Mining Corporation (LIMINCO), which mined ore from the LAMCO site. In 1990, the corporation began making payments of \$10 million USD monthly to Charles Taylor in exchange for the ability to mine and the cooperation of the NPFL.<sup>125</sup> In 1994, Taylor allegedly gained a 5 -10% stake in the partnership.<sup>126</sup> In 1995, the entire mine site was looted after it closed during the civil war.
84. In 1991, Sollac, a French state-owned company, allegedly purchased 70,000 tons of ore from the NPFL and paid \$80,000 per shipment. A French newspaper speculated that the purchases were intended to fund indirectly the NPFL.<sup>127</sup> In 1992, Sollac also purchased three shipments of ore from LIMINCO, and continued to be a major purchaser of ore from LIMINCO before the mine was closed in 1995.<sup>128</sup>
85. Much like the timber sector, corporations operated without appropriate government oversight and, frequently, without licenses. For instance, American Mining Associates (AMA), which continued to conduct operations in 2008, allegedly staked its license claim for 66,242 acres from a verbal agreement its officers made with Samuel Doe in 1984. However, the corporation claimed to have expanded its concession by 215,000 acres through an additional verbal agreement with a NTGL Minister.<sup>129</sup>
86. Throughout the 1990s, the NPFL and the NPRAG maintained effective control over most of Liberia and successive governments were unable to manage the mining sector. Smaller, well-connected Americo-Liberian and ethnically Lebanese operations dominated the gold and diamond sector. The NPFL earned foreign exchange from diamond and gold mining in the area around the Lofa River on the Sierra Leone border, until the territory was captured by the ULIMO in 1993. Under the 1995 Abuja Accord, Roosevelt Johnson, head of ULIMO-J, became Minister of Rural Development, which provided the faction with administrative control over gold and diamond mining.<sup>130</sup>

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<sup>124</sup> Prkic, Francois, *The Phoenix State: War Economy and State Formation in Liberia*, in Schlichte, Klaus, "The Dynamics of States" (2005).

<sup>125</sup> Economic Intelligence Unit, *Ghana, Sierra Leone, Liberia*, 4<sup>th</sup> Quar. 1992, at 32.

<sup>126</sup> Id.

<sup>127</sup> *Le Figaro*, Jan. 8, 1992 in Reno, William, *Warlord Politics & African States*, at 111.

<sup>128</sup> Id.

<sup>129</sup> UNSC S/2008/371 para. 118.

<sup>130</sup> Reno, William, *Warlord Politics & African States*, at 106.

87. In February 2000, Liberia passed the Strategic Commodities Act (SCA) which provided President Taylor with the sole legal authority to negotiate and execute all commercial contracts and agreements with domestic and foreign investors related to the exploitation of strategic commodities. After the SCA became law, all agreements signed by President Taylor had the same legal effect as treaty to which Liberia is a party.<sup>131</sup> The Legality and Constitutionality of the SCA was however questioned in a public manner that undermined its effectiveness and standing as Law.
88. Now in complete control of the mining sector in Liberia, Taylor allocated mining rights to companies that personally offered him the most favorable terms, in a process that was neither transparent nor conducted through competitive bidding.
89. In 1999, Taylor signed a mineral development agreement (MDA) that granted exploration and mining rights in the Bukon Jedeh region in Southeastern Liberia to Freedom Gold Limited, a for-profit company incorporated in the Cayman Islands that was owned by the Pat Roberson Charitable Remainder Trust.<sup>132</sup> The president and sole director of Freedom Ltd. was Pat Robertson of the US Christian Broadcasting Network (CBN). The MDA guaranteed a 10% equity interest in the company to the Liberia government. Robertson also allegedly promised President Taylor to spend \$10 – \$15 million on various projects in Liberia during the exploratory phase.<sup>133</sup> Nevertheless, the Liberian legislature did not ratify the contract. After the SCA was passed, Taylor and Freedom Gold Limited amended and executed the contract.
90. In 2002 – 2003, Robertson lobbied the US government on behalf of Taylor's government. The CBN also reportedly spent \$60,000 on a religious program at SKD Stadium in Monrovia for Taylor in 2002.<sup>134</sup> It is unclear whether Freedom Gold paid royalties and payments to the Liberian government or to Taylor himself. However, Joe Matthews, the Vice President for Finance and Administration at Freedom Gold, stated that Liberia collected exploration and rental fees from Freedom Gold.<sup>135</sup>

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<sup>131</sup> Strategic Commodities Act 2000, Section 3.

<sup>132</sup> Roth, Daniel, *Pat Robertson's Quest for Eternal Life*, Fortune Magazine, May 28, 2002.

<sup>133</sup> Sizemore, Bill, *Pat Robertson's Right-Wing Gold Mine: The little-known tale of the evangelist and the dictator*, Ms. Magazine, Sept. 2003.

<sup>134</sup> King, Colbert I., *Pat Robertson's Gold*, Washington Post, Sept. 22, 2001.

<sup>135</sup> Id.

*Bribery and Illegal Payments to Government Officials and Warring Factions*

91. From 1990 – 1994, LIMINCO allegedly paid \$10,000 monthly to the NPFL and supplied Buchanan with electricity in exchange for the “right to exploit the mines.”<sup>136</sup>
92. After his election as President, Charles Taylor also received various large payments from known diamond smugglers as “political donations”. In May 2001, Abbas Macky, an associate of diamond smuggler Aziz Nassour, paid \$600,000 to Taylor’s National Patriotic Party (NPP). In July 2001, Nassour reportedly paid Taylor \$250,000 cash as a “political donation” at a political rally in Maryland County.<sup>137</sup> After Taylor accused NPP Chairman Cyril Allen of stealing some of the money, he was removed from his position in the party.<sup>138</sup>

*The Mining Sector’s link to Al Qaeda and International Terrorism*

93. The lack of transparency and government oversight of the diamond sector made it an attractive sector for money laundering. This illicit activity involves the exchange of “dirty” money that is earned from crime for rough diamonds. Then, the rough diamonds are exported and sold for hard, “clean” currency. Typically, money launderers will accept reduced rate of returns for obtaining clean currency, usually 70% of the initial investment. As a result, money launderers may outspend other buyers in the diamond sector and inflate the local price of diamonds.<sup>139</sup>
94. In September 1998, Al Qaeda reportedly entered the diamond sector, after the United States froze \$240 million in Taliban and al Qaeda assets, shortly after the bombings of US embassies in Kenya and Tanzania.<sup>140</sup> Al Qaeda used the diamond trade for four main purposes: (1) as a means of raising funds; (2) to conceal money targeted by financial sanctions; (3) to launder the profits of criminal activities; and (4) to convert cash into a stable and easily transportable commodity.<sup>141</sup>
95. On September 24, 1998, Abdullah Ahmed Abdullah, a member of al Qaeda’s financial committee, met Charles Taylor, Cindor Reeves, the brother of Taylor’s wife, Agnes, and Ibrahim Bah, a senior RUF commander and advisor, to discuss establishing a diamond supply chain involving Liberia and Sierra Leone.

<sup>136</sup> See Prkic, Francois, *The Phoenix State: War Economy and State Formation in Liberia*.

<sup>137</sup> *For a Few Dollars More*, Global Witness, Apr. 2003.

<sup>138</sup> *Id.*

<sup>139</sup> Farah, Douglas, *Blood From Stones*, (New York, Broadway Books, 2004).

<sup>140</sup> Farah, Douglas, *Report Says Africans Harbored Al Qaeda*, Washington Post, Dec. 29, 2002.

<sup>141</sup> *For a Few Dollars More*, Global Witness, Apr. 2003.

- Abdullah was transported to Sierra Leone and met Sam Bockarie, Issa Sesay and other RUF commanders. At the meeting, Abdullah inspected diamonds and paid Bockarie \$100,000 as an “introductory fee” and in exchange for diamonds.<sup>142</sup>
96. In March 1999, Ibrahim Bah sent Reeves to meet Ahmed Khalfan Ghailani and Fazul Abdullah Mohammed, alleged al Qaeda operatives, and later the two individuals flew to Foya to meet with Bockarie, Sessay, Dennis Mingo, Eddie Kanneh and Morris Kallon.<sup>143</sup> Ghailani and Mohammed allegedly traded \$50,000 to RUF members in exchange for 300 carats of diamonds.<sup>144</sup> Then, Ghailani and Mohammed returned to Monrovia and met with Bah, Benjamin Yeaten and other senior NPFL/NPP officials. Ghailani and Mohammed allegedly paid Taylor \$50,000 as “advance taxes”.<sup>145</sup>
97. In July 2000, Bah contacted Ali Darwish, a diamond trader from Antwerp, Belgium, to find a diamond trader capable of handling large quantities of diamonds on behalf of Ghailani and Mohammed. Darwish recommended Aziz Nassour, a Lebanese diamond and gun merchant. On November 10, 2000, Nassour met Darwish in Burkina Faso and paid Darwish \$50,000 as a “finder’s fee” and paid an additional fee of \$100,000 to Bah.<sup>146</sup>
98. Nassour also paid Samih Ossaily, a Lebanese diamond trader that was born in Sierra Leone, \$40,000 and Ossaily and Darwish traveled to Monrovia on December 9, 2000. On December 26, 2000, Ghailani and Mohammed met with Darwish and Ossaily and the four individuals traveled to Sierra Leone’s diamond fields, where they met with senior RUF leaders and stayed for three days at Sessay’s residence in Kono.
99. Ghailani and Mohammed stayed in Kono for three weeks before returning to Monrovia. During their stay, Ly Samba, a courier, brought \$300,000 from Liberia on behalf of the two individuals, in exchange for a parcel of diamonds.<sup>147</sup>
100. Nassour arranged payment for diamond purchases through Asi Diam, a corporation owned by Ali Said Ahmed, Aziz Nassour’s brother-in-law that received money transfers from Artesia Bank. Between June 7, 2000, and October 8, 2001, Artesia Bank transferred approximately \$19 million USD to Asi Diam for the purchase of diamonds.<sup>148</sup>

<sup>142</sup> Farah, Douglas, *Blood From Stones: The Secret Financial Network of Terror*, (2004).

<sup>143</sup> *For a Few Dollars More*, Global Witness, Apr. 2003, at 45.

<sup>144</sup> *Id.*

<sup>145</sup> *Id.*

<sup>146</sup> *Id.*

<sup>147</sup> *Id.*

<sup>148</sup> *Id.* at 58 – 59.

101. In January 2001, Ossaily allegedly established a diamond buying office in a room of the Hotel Boulevard in Monrovia. Darwish later signed a three-year lease for a diamond “safe house” in Sinkor, to avoid suspicion.<sup>149</sup> Nassour’s diamond trading team allegedly paid a premium of up to 30% over market prices for uncut diamonds.<sup>150</sup>
102. In 2001, Nassour sent Zein Nassour, his cousin, to Liberia and removed Ossaily from the diamond trading operation because of suspicion that Ossaily was self-dealing with RUF members. He also directed Liberian diamond exports to be sent to Lebanon instead of Belgium. In June 2001, Ms. Ferial Shahin, a Lebanese Al Qaeda operative, visited Monrovia to audit the diamond operation and met with Eddie Kanneh and Massaquoi.<sup>151</sup>
103. In July 2001, Aziz Nassour allegedly paid Charles Taylor \$1 million in cash to hide two al Qaeda operatives in Camp Gbatala near Taylor’s farm, which also functioned as an ATU training base.<sup>152</sup> During the same month, Issa Sessay informed Taylor that the RUF had decided to follow his recommendation and would sell all of its diamonds to Nassour.
104. In 2003, Ibrahim Bah, a Senegalese diamond broker, acknowledged that RUF members may have unknowingly sold diamonds to al Qaeda. During an interview in 2003, Charles Taylor did not deny that Al Qaeda operated in Liberia and, instead, noted that the organization operated throughout the world.<sup>153</sup>

*The Mining Sector’s Involvement in Gross Violations of Human Rights*

105. Diamond companies also financially supported and hired private security forces that committed gross violations of human rights in Liberia between 1979 – October 14, 2003.
106. In November 1983, a group of Gio and Mano fighters led by former General Thomas Quiwonkpa allegedly attacked the Plant Protection Force (PPF), LAMCO’s private security force, in Yekepa, in an effort to kill Charles Julu, the Director of the PPF, and avenge Quiwonkpa’s dismissal from the People’s Redemption Council (PRC) and the Armed Forces of Liberia. At the time of the attack, known as the Nimba Raid, Julu was visiting Ghana, but the raid resulted

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<sup>149</sup> *Id.*

<sup>150</sup> Farah, Douglas, *Liberia: the diamonds of Terror*, Enjeux Internationaux, Spr. 2006.

<sup>151</sup> Global Witness interviews with member of Charles Taylor’s inner circle, July & August 2002, West Africa.

<sup>152</sup> Summary of European Intelligence Report into Al Qaeda Diamond Transactions, Dec. 2002.

<sup>153</sup> Interview in the documentary, *Liberia: An Uncivil War*, 2004.

in the death of several members of Julu's family. Quiwonkpa, Sam Dokie and Cooper Teah were alleged to be the leaders of the attack.

107. In 1985, Julu led a PPF attack that killed hundreds of Gio civilians near Yekepa in response to a failed coup attempt against Samuel Doe and to avenge the attack on his family.

"Julu rounded up Gio civilians in the compound of the Lamco iron-ore mine and ordered soldiers to flog them. He used LAMCO trucks to transport Gio soldiers and civilians to the Sika valley in the Nimba mountains near Yekepa, and slaughtered them before throwing them down a disused mine shaft. LAMCO security guards, who Julu commanded, led the slaughter. The company, which at that time was partly owned by a Swedish company, Grangers, in a joint venture with the Liberian government, did not even dock the pay from the employees from the time they had taken off to murder and mutilate."<sup>154</sup>

108. In 1990, Julu was also allegedly responsible for the killing of 300 children whose remains were discovered in a well near Sanoquellie, in Nimba County.<sup>155</sup>
109. In 1994, Julu attempted an unsuccessful coup attempt in Monrovia and briefly controlled the city's Executive Mansion.<sup>156</sup> The coup attempt was allegedly financed by New Horizons, an American corporation, which raised \$2 million to fund rebel groups that opposed the NPFL.<sup>157</sup>
110. In 1997, 450 former child combatants allegedly were used for gold mining in the ITI logging company's concession. The children were allegedly under the control of Roland Duo, the former NPFL chief of staff for River Cess County.<sup>158</sup>
111. The owner of American Mining Associates (AMA) acknowledged to members of the Kimberley Process review team that the company had hired some of Charles Taylor's former bodyguards to intimidate local miners.<sup>159</sup>

### *Looting*

112. As the NPFL gained effective control over Liberia, deserted property owned by mining concerns was looted. For example, the NPFL sold equipment

<sup>154</sup> Huband, Mark, *The Liberian Civil War*, (Routledge 1998) at 40.

<sup>155</sup> French, Howard W., *As War Factions Shatter, Liberia Falls into Chaos*, NY Times, Oct. 22, 1994.

<sup>156</sup> *Id.*

<sup>157</sup> *Warlord Politics and African States*; Volman, Daniel, *Arming Liberia's Fractional Gangs*, African Policy Report, No. 5, Aug. 15, 1996.

<sup>158</sup> United Nations Liberia Humanitarian Situation Report, June 30, 1997.

<sup>159</sup> UNSC S/2008/371 para. 118.

abandoned by Bong Mining Company, a German corporation.<sup>160</sup>

### *Illegal Arms Dealing*

113. As early as 1992, Roger D’Onofrio Ruggiero, a retired Italian agent of the United States Central Intelligence Agency (CIA), smuggled arms into Liberia in exchange for Liberian and Sierra Leonean diamonds.<sup>161</sup> D’Onofrio and Michele Papa, Ruggiero’s representative in business deals with the Libyan government, established International Business Consultant Limited (IBC), a Liberian corporation. IBC later transferred 50% of its ownership to Charles Taylor and began selling weapons exclusively to the NPFL in 1993.<sup>162</sup> In exchange for weapons, which were supplied by Kintex Corporation, a Bulgarian company, D’Onofrio and others smuggled diamonds, camouflaged as oranges and olives, with aid of other Bulgarian and Swiss corporations.<sup>163</sup> According to D’Onofrio’s testimony to Italian prosecutors in 1995, IBC earned more than \$3 million USD in 1993.<sup>164</sup>
114. D’Onofrio worked closely with Ibrahim Bah, who posed as Liberia’s minister of mineral resources and Rudolf Meroni, a Swiss attorney that organized front companies to facilitate diamond smuggling.<sup>165</sup>
115. In the early 1990s, Nicholas Oman, a Slovenian national that was named honorary consul to Liberia in 1993, also allegedly smuggled weapons to Liberia, Bosnia-Herzegovina and Croatia before being arrested by Italian authorities in 1996.<sup>166</sup>
116. After Leonid Minin’s arrest in August 2000, Aziz Nassour and Ossaily allegedly began to illegally traffic arms in Liberia. In 2004, Nassour, Ossaily and six others were criminally convicted on charges of diamond smuggling in Belgium.<sup>167</sup> Although Belgium did not pursue criminal charges related to arms smuggling, circumstantial evidence received by the TRC indicates that the individuals likely engaged in arms trafficking.

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<sup>160</sup> Reno, William, *Warlord Politics, and African States*.

<sup>161</sup> Transcribed Testimony of Roger D’Onofrio Ruggiero (1995), as reported in TRC Institutional and Thematic Hearing on Economic Crimes, Immants Liepens, investigative journalist, Latvian Public Investigation Bureau, Monrovia, Feb. 19, 2009.

<sup>162</sup> *Id.*

<sup>163</sup> *Id.*

<sup>164</sup> *Id.*

<sup>165</sup> *Id.*

<sup>166</sup> Newline 1996, Radio Free Europe, Aug. 22, 1996, available at <http://www.rferl.org/Content/Article/1141237.html>.

<sup>167</sup> Antwerp Court Convicts in Conflict Diamond Case, Professional Jeweler, Dec. 7, 2004.

117. In January 2001, Ossaily allegedly traveled to Banjul, the capital of The Gambia, to meet with members of the Gambian government, who were associates of the Revolutionary United Front (RUF). According to Ossaily's phone records and other information, he also contacted several known arms dealers, including Baba Jobe, a Gambian arms smuggler, and Shimon Yelenik, a former Israeli military officer that used the alias Mr. Simon.<sup>168</sup>
118. On January 2, 2001, Yelenik emailed a Russian contact in Guatemala to request an urgent weapons order for Liberia that he allegedly received from Ossaily.<sup>169</sup> The weapons list included 600 AK-47 rifles, 200 RPG launchers, 6,000 hand grenades and 50 anti-tank launchers, as well as ammunition.<sup>170</sup>
119. On April 12, 2002, Ossaily was arrested in Belgium and his apartment was searched by Belgian authorities.<sup>171</sup> The search uncovered an original Cote D'Ivoire end user certificate (EUC) dated January 8, 2001, for the transfer of weapons that were delivered to Liberia by Aviatrend, a company owned by Valery Cherny.<sup>172</sup>

## Other Industries & Corporate Actors

### *Petroleum*

120. The Liberia Petroleum Refining Company (LPRC), Liberia's state-owned petroleum refining corporation, also allegedly committed economic crimes during the conflict in Liberia. On September 25, 2003, the LPRC, acting under the authority of Edwin Snowe, former LPRC Managing Director and MONTserrado County Senator, executed a credit agreement with West Oil Investment (WOI) for \$10 million USD. The agreement designated WOI as the importer and distributor of petroleum products in Liberia in exchange for the credit. While the LPRC has not justified its decision to obtain the credit, shortly thereafter, the company made a series of suspicious payments beginning in 2003 through 2006.<sup>173</sup>
121. Between September 2003 and December 2003, the LPRC made numerous

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<sup>168</sup> Phone Records of Ossaily and other information received by the TRC.

<sup>169</sup> Following Taylor's Money: A Path of War and Destruction, Coalition for International Justice, May 2005, at 27.

<sup>170</sup> Id.

<sup>171</sup> For a Few Dollars More: How Al Qaeda Moved into the Diamond Trade, Global Witness, April 2003, at 41.

<sup>172</sup> Id.

<sup>173</sup> Documents and invoices received by the TRC regarding LPRC, Monrovia, Mar. 7, 2008; In 2008, Snowe, Sheriff and several others were indicted for crimes related to their management of LPRC, including economic sabotage, bribery, theft of property, and criminal conspiracy.

payments equaling \$804,454 to various individuals and institutions.<sup>174</sup> All payments were approved by Snowe and Siaka Sheriff, former LPRC controller. In October 2003, the LPRC made two payments equaling \$177,000 USD to Edwin Snowe for “financial commitments” and generators.<sup>175</sup> During the same period, the company’s records indicate that it spent \$278,130 USD on “employee’s benefits” and \$25,000 USD for entertainment expenses for “the LURD Chairman”.<sup>176</sup>

### *Telecommunications*

122. Lone Star Communications Corporation (LSC), Liberia’s only mobile phone service provider from 2000 to 2004, allegedly committed an array of economic crimes including tax evasion, bribery and telecommunications fraud. LSC was owned by two corporations: (a) Investcom Global Limited, a Lebanese corporation, that owned 60% of LSC; and (b) PLC Limited, a corporation owned jointly by Charles Taylor and Benoni Urey and Emmanuel Shaw II, two of Taylor’s financial advisors. Because Liberia has no functioning, land-based telephone system, LSC greatly profited from its status as the only company in the telecommunications sector.
123. In 1999, PLC Limited obtained an exclusive license to operate a global system for mobile communications (GSM) cellular mobile service without entering into a competitive bidding process.<sup>177</sup>
124. In 2001, Investcom LLC attempted to purchase a GSM license in Liberia.<sup>178</sup> Investcom LLC is a subsidiary of Investcom Holdings S.A. and Investcom Global, two corporations owned by Lebanese nationals and incorporated in Luxembourg and the British Virgin Islands, respectively.<sup>179</sup> The government of Liberia informed Investcom that no GSM license was available and that the company should purchase 60% of PLC Limited to enter the telecommunications market in Liberia. As a result, Investcom LLC allegedly acquired 60% of PLC Limited for \$30,000 USD.<sup>180</sup>

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<sup>174</sup> *Id.*

<sup>175</sup> *Id.*

<sup>176</sup> *Id.*

<sup>177</sup> Letter dated 24 May 2007 from the Panel of Experts on Liberia addressed to the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003), United Nations Security Council, S/2007/340, at 24.

<sup>178</sup> TRC ECU Interview with Khalid Makkawi, Chief Executive Officer, Lone Star Communications, Mar. 10, 2008

<sup>179</sup> Project Summary, Spacotel Benin, S.A.R.L., Multilateral Investment Guarantee Agency, available at [http://www.miga.org/projects/index\\_sv.cfm?pid=503](http://www.miga.org/projects/index_sv.cfm?pid=503)

<sup>180</sup> Letter dated 24 May 2007 from the Panel of Experts, *supra* note 125, at 24.

125. Between 2000 to 2004, LSC generated approximately \$36 million USD in revenue.<sup>181</sup> However, the TRC was unable to confirm LSC's actual income over this period because the company did not report its call data records to the Liberian government.<sup>182</sup> LSC reportedly paid no taxes from 1999 – 2002.<sup>183</sup> It also allegedly engaged in unlawful price fixing and charged \$.50 US cents per minute for local calls and \$1.25 USD per minute for calls to the United States. LSC also charged \$65 USD for a subscriber identity module (SIM) card, which is mandatory for all mobile phone users on the network, and allegedly inflated the cost of scratch cards, which provide subscribers with pre-paid phone minutes.<sup>184</sup> After LSC's monopoly on the Liberian telecommunications market was broken in 2004, the price of calls fell to \$.20 cents USD and \$.40 cents USD, for local and United States calls, respectively.<sup>185</sup>
126. Despite operating in Liberia for over three years, the Ministry of Posts and Telecommunications informed the TRC that the company did not have a business license prior to October 2003.<sup>186</sup>
127. LSC also invalidly used country code 377, which is assigned to the country of Monaco, instead of Liberia's country code to evade in-bound and out-bound telecommunications fees to Liberia.<sup>187</sup> As a result, LSC entirely avoided fees that would provide a significant source of government revenue. In addition, owners of PLC Limited failed to declare income on dividends received from LSC.<sup>188</sup> While it is unknown whether LSC paid dividends from 1999 – 2003, it did pay \$600,000 USD in June 2004 and \$3.2 million USD in 2006.<sup>189</sup>
128. Charles Taylor, as a one-third owner of LSC, earned approximately \$12 million USD yearly from the company's operations.<sup>190</sup> When Minister Yadoloe Pay-Bayee and other ministers insisted that another mobile phone company be permitted to operate in Liberia, Taylor allegedly threatened to have them dismissed from their positions.<sup>191</sup> Other government ministers were dismissed

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<sup>181</sup> Following Taylor's Money: A Path of War and Destruction, Coalition for International Justice, May 2005, at 11.

<sup>182</sup> TRC ECU Interview with B. Anthony McCritty, Commissioner of the Liberia Telecommunications Authority, Monrovia, Aug. 4, 2007.

<sup>183</sup> TRC ECU Case File.

<sup>184</sup> *Id.*

<sup>185</sup> *Id.*

<sup>186</sup> TRC ECU Meeting with Sekou Kromah, Deputy Minister of Posts & Telecommunications, Monrovia.

<sup>187</sup> TRC ECU Meeting with Ministry of Posts & Telecommunications, Monrovia, Mar. 20, 2008.

<sup>188</sup> TRC ECU Case File, Lone Star Communications.

<sup>189</sup> United Nations Security Council, *Report of the Panel of Experts submitted pursuant to paragraph 4 (d) of Security Council resolution 1731 (2006) concerning Liberia*, June 7, 2007, UNSC S/2007340, at para. 100.

<sup>190</sup> *Id.*

<sup>191</sup> TRC ECU Interviews with Mohammed Kromah, Moses Blah and Yadoloe Pay-Bayee.

for proposing contracts with additional mobile corporations.<sup>192</sup>

### *Bridgeway Corporation*

129. In 1997, shortly after Charles Taylor became President, Liberia established an exclusive rice importation agreement with Bridgeway Corporation (BC), a subsidiary of Haddad Group International and owned by George Haddad.<sup>193</sup> BC then began to provide approximately 75% of Liberia's rice.<sup>194</sup> The company allegedly earned tax credits in exchange for selling rice to the government of Liberia.<sup>195</sup> Charles Taylor used BC imported rice as a gift for former NPFL soldiers and his supporters.<sup>196</sup>
130. In June 2003, the LURD massively looted BC's two warehouses in Clara Town and Freeport and used several thousand bags of rice to construct an embankment to protect themselves from incoming bullet fire.<sup>197</sup>

### *Maritime Affairs*

131. Benoni Urey, a Liberian national and the former Commissioner of Maritime Affairs during the Taylor Administration, served a vital role in the Charles Taylor Administration's control over corporate entities. Urey allegedly embezzled funds from the Liberian International Shipping and Corporate Registry (LISCR) that were used to purchase weapons, helped manage LSC and was a primary point of contact between the Taylor regime and Viktor Bout.<sup>198</sup> In addition, he worked closely with Kouwenhoven to arrange OTC weapon shipments.
132. On August 14, 1997, twelve days after his inauguration, Charles Taylor issued an executive order that unlawfully directed the International Trust Company (ITC), a U.S. based corporation that managed Liberia's shipping registry, to deposit 10% of annual maritime revenues into the personal account of Urey.<sup>199</sup> This amount was estimated at \$1.2 million USD annually.<sup>200</sup>

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<sup>192</sup> Id.

<sup>193</sup> Jablasone, Cheechiay, Liberia: Reporter's Notebook, 2007 Assessment, Global Integrity Report, available at <http://report.globalintegrity.org/Liberia/2007/notebook> (last visited June 15, 2009).

<sup>194</sup> Nah Tiepoh, Geepu, The Rice Importation Liberalization Agenda in Liberia: Some Critical Policy Issues, The Perspective, available at <http://www.theperspective.org/riceimport.html> (last visited June 15, 2009).

<sup>195</sup> TRC ECU Interview with George Haddad, Haddad Group International, Sept. 16, 2008.

<sup>196</sup> Jablasone, Cheechiay, *supra* note 125.

<sup>197</sup> TRC ECU Interview, George Haddad, Haddad Group of Companies, Monrovia, Sept. 11, 2008.

<sup>198</sup> Following Taylor's Money, *supra* note 125.

<sup>199</sup> Old Wine in New Bottles: \$1.2 Million Dollars for Taylor and Urey, The Perspective, July/Sept. 1997.

<sup>200</sup> Id.

133. Emmanuel Shaw, an owner of PLC Limited and Managing Director of LSC, also owned the hangars at Roberts International Airport and operated Lone Star Airways, a company that illegally smuggled weapons into Liberia. The weapons shipments, which arrived from Serbia, were delivered on two Boeing 727-200 aircraft that arrived from Ouagadougou, Burkina Faso from November 2002 to February 2003.<sup>201</sup>

## Conclusions

134. The perpetration of economic crimes in Liberia fuelled violent conflict both domestically and throughout the region. Warring factions used natural resources, such as timber, diamonds and other minerals, and rubber to finance war efforts. The illegal exploitation of natural resources by warring factions greatly contributed to the procurement and distribution of weapons throughout the sub-region.
135. Successive Liberian governments were either unwilling or unable to govern and manage critical economic sectors. As a result, warring factions gained effective control over the timber and mining sectors and unlawfully transferred authority to exploit the resources to non-Liberians and foreign corporate actors that conducted business in an unregulated environment.
136. Successive governments, in particular the Taylor government, established a massive patronage system and unlawfully granted concessions and other investment incentive-related agreements in an anti-competitive process, in which the provision of foreign military support, kickbacks and bribery by corrupt government officials were exchanged for the ability to pursue business in an entirely unregulated environment.
137. As a result, economic crimes were committed by warring factions, government agencies, Liberian citizens and foreign individuals and corporate actors on a widespread and systematic level. During the TRC's temporal mandate, Liberia became a safe haven for economic criminal actors such as warlords, money-launderers, terrorist groups, corrupt government officials, tax evaders and unscrupulous corporate actors.
138. The result of the appalling number and scale of economic crimes in Liberia has grossly deprived Liberia and Liberians citizens of their economic rights and has obstructed the economic development and policy of the state.

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<sup>201</sup> *Following Taylor's Money: A Path of War and Destruction*, Coalition for International Justice, May 2005, at 28.

139. While efforts have been undertaken to strengthen Liberia's capacity to regulate the private sector, much work is still needed. The Government of Liberia continues to combat an environment that enabled impunity for economic criminal actors.

### Recommendations

140. To begin to repair the catastrophic damage that has been done to the economic rights of Liberians and the country of Liberia by economic criminal actors, the Government of Liberia (GOL) must aggressively pursue civil and criminal actions against alleged perpetrators. In addition, it must continue to reform its legal architecture and establish laws that will strengthen good governance, while providing the legal tools to combat future economic crimes.
141. During the period of the TRC's temporal mandate, the commission of economic crimes in Liberia involved a multitude of actors, each of whom played different roles and contributed in some way to illicit behavior. These actors included individuals as well as corporations and other organizations. Thus, the TRC recognizes that both Liberian and international law provide different theories of criminal liability in which individuals may be held accountable.

#### *Domestic Law*

142. The TRC recommends the domestic prosecution of individuals and corporations that committed economic crimes that constitute offenses under Liberian law. Domestic law with respect to economic crimes is divided into five categories (based on the organization of the Liberian Code of Laws):
- a. Offenses against government integrity;
  - b. Offenses against property;
  - c. Obstructing government operations;
  - d. Laws governing natural resources that carry criminal penalties; and
  - e. Provisions of the General Business Law that carry criminal penalties.
143. The Government of Liberia (GOL) should pursue the criminal prosecution of individuals that committed offenses against government property, such as those that allegedly committed bribery,<sup>202</sup> unlawfully rewarded a public servant or accepted an unlawful reward in connection with their public service,<sup>203</sup> or provided or accepted unlawful compensation for assistance in government

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<sup>202</sup> See PL § 12.50.

<sup>203</sup> See PL § 12.51.

matters.<sup>204</sup>

144. The GOL should hold responsible those individuals and corporations that allegedly committed the theft of property or services in connection with economic crimes in Liberia.<sup>205</sup> It should also pursue domestic criminal prosecution against government officials that used, disposed of, or transferred property in a manner in which they were unauthorized.<sup>206</sup>
145. The GOL should also hold responsible individuals and entities that were responsible for committing tax evasion.<sup>207</sup> In particular, the TRC recommends that corporate officers in the timber, mining and telecommunications sector be prosecuted for their willingness to avoid the payment of tax revenues to Liberia during the civil conflict in Liberia. Government agents that knowingly facilitated and colluded in tax evasion must also be held accountable.
146. Government officials that misappropriated, unlawfully received or retained government revenue must be held criminally accountable under Liberian domestic law.<sup>208</sup>
147. The GOL should prosecute those responsible for obstructing government operations by engaging in acts of smuggling and money laundering.<sup>209</sup> Although money laundering was not specifically prohibited under Liberian law until 2002, much of the activity which is referred to as money laundering is prohibited by the crime of “aiding consummation of a crime”. The crime can be either felony or misdemeanor under Liberian law depending on the circumstances.<sup>210</sup>
148. Timber and mining companies committed an array of criminal conduct that violated laws that specifically applied to the natural resource sector. The Timber sector is regulated by the Act Creating the Forestry Development Authority (“FDA”) (1976) and regulations under the 2000 National Forestry Law. The mining sector is governed by specific law that refers to the diamond industry<sup>211</sup> and law that governs mineral resources more generally.<sup>212</sup>

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<sup>204</sup> See PL § 12.52.

<sup>205</sup> See id. § 15.50 – 15.54.

<sup>206</sup> See id. § 15.56.

<sup>207</sup> See id § 15.80.

<sup>208</sup> See id. § 15.82.

<sup>209</sup> See id § 12.11, 12.5.

<sup>210</sup> See Id.

<sup>211</sup> See Liberian Code of Laws, Title 23, Chapter 6-A.

<sup>212</sup> See Liberian Code of Laws, Title 23, Chapter 6 § 175.

149. FDA regulations provide both criminal sanctions for individuals<sup>213</sup> and fines for corporate actors.<sup>214</sup> The FDA should levy appropriate fines for logging companies that operated without a license or outside of their concession.
150. The GOL should prosecute individuals that operated diamond mines without procuring a business license. Illicit diamond mining is punishable by a definite prison term of five years and a maximum \$15,000 fine.<sup>215</sup>
151. Unfortunately, Liberian law has insufficient criminal penalties for illicit mining of mineral resources other than diamonds.<sup>216</sup> Thus, the TRC recommends that the GOL adopts legislation that provides stronger criminal penalties for violations of laws governing non-diamond mineral resources.
152. Liberian law also provides individual criminal responsibility for individuals that establish contracts that lead to, or maintain, a monopoly in Liberia, with the exception of concessions granted by the GOL.<sup>217</sup> The GOL should investigate whether government officials and corporate actors established unlawful monopolies in telecommunications, food or other sectors.
153. Individuals are also required to register a business to operate in Liberia. Considering the pervasive failure of timber, mining and other corporations to register in Liberia, the GOL should consider whether to pursue criminal sanctions against the executive officers of these entities.<sup>218</sup>
154. Liberian law permits the GOL to grant concessions to enable private corporations to utilize public property for profit.<sup>219</sup> Concessionaires may lawfully be granted exemptions from the payment of custom duties. The GOL should ensure that corporations that claimed a legal right to a concession are the lawful holders of a concession. It should also ensure that concessionaires did not operate outside of the terms of their exemptions.
155. Statutes of limitations present a significant challenge to the prosecution of

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<sup>213</sup> See An Act Creating the Forestry Development Authority, Nov. 1, 1976, § 4(j) (providing that any person that violates any rule of sub-section (j) for which no penalty is expressly provided is guilty of a misdemeanor or by imprisonment for not more than one year.

<sup>214</sup> See Regulation No. 4 of Control of Non-concession Forest Operators, Mar. 23, 1979, § 7 (providing that any operator that cuts trees without a permit shall pay three (3) times of all applicable forest fees and taxes)

<sup>215</sup> See Liberian Code of Laws, Title 23, Chapter 6 –A.

<sup>216</sup> See Liberian Code of Laws, Title 23, Chapter 6 § 175 (providing that violations of the Law of Mines may be punishable by a fine between five and fifty dollars).

<sup>217</sup> See Liberian Code of Laws, Title 14, Chapter 2.1.

<sup>218</sup> See Liberian Code of Laws, Title 14, Chapter 4.

<sup>219</sup> See Liberian Code of Laws, Title 14, Chapter 6.

virtually all economic crimes under domestic law in Liberia. Liberian law prescribes a relatively short statute of limitations. For instance, prosecution of non-capital felonies must begin within five years of the crime's commission,<sup>220</sup> whereas misdemeanors must be commenced within three years.<sup>221</sup> However, Liberian judges have the discretion to extend the statute of limitations for cause, such as when the failure to commence prosecution is the result of excusable neglect.<sup>222</sup>

156. Because economic criminal actors controlled Liberia's state-apparatus during much, if not all, of the time period provided for commencing prosecution under Liberia's statute of limitations, the GOL should adopt legislation that provides a general extension of statute of limitations that apply to economic crimes uncovered by the TRC and in subsequent, related investigations where the alleged perpetrator has evaded justice. The GOL should also adopt legislation that lengthens the statute of limitations for future criminal prosecutions related to economic crime. These actions would be consistent with Liberia's treaty obligations under the United Nations Convention Against Corruption.<sup>223</sup>
157. The TRC recommends that the GOL aggressively seek restitution from individuals and corporate actors that perpetrated economic crimes. According to Liberian law, convicted criminals, whether individuals or corporations, can be fined double their illicit gains.<sup>224</sup> Gain means the greater of either the amount of the asset taken by the defendant or the net gain produced by the crime's commission.<sup>225</sup>

#### *Creation of a Reparations Trust Fund*

158. The TRC calls on the GOL to establish a Reparations Trust Fund (RTF) to compensate victims of economic crimes in Liberia. The RTF could obtain sources of funding through judgments against economic criminals through three ways: (1) recovering tax arrears from timber, mining, petroleum and telecommunications companies that evaded tax liability under the Taylor regime; (2) obtaining funds from economic criminals that are sentenced by

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<sup>220</sup> See CPL § 2:4.2. Under Liberian law, a crime is "committed" when the last act that is a necessary element occurs or, in the case of clear legislative intent, when the last act of that course of conduct occurs, or when the defendant terminates his complicity in the act. Id. § 2:4.6.

<sup>221</sup> See id § 2:4.2.

<sup>222</sup> See id. § 2:1.6.

<sup>223</sup> See United Nations Convention Against Corruption (UNCAC), Art. 29. These actions are consistent with the UNCAC, which calls on states to "provide for the suspension of the statute of limitations where the alleged offender has evaded the administration of justice" and establish longer statutes of limitations for offenses under the UNCAC. Liberia acceded to the UNCAC on September 16, 2005.

<sup>224</sup> See PL §§ 50.9 – 50.10.

<sup>225</sup> See id.

Liberian courts to pay restitution or other fees; and (3) utilizing criminal and civil confiscation schemes in foreign jurisdictions to repatriate Liberian assets.<sup>226</sup>

159. As stated above, Liberian Penal Law requires convicted criminals to make restitution and fines, which represents a valuable source for recovering assets that were unlawfully taken during the conflict.<sup>227</sup> However, restitution is typically provided directly to the victims, whereas fines are ordinarily recovered by the government. Therefore, establishing a RTF for Liberia may require both victims and the government to consent to the routing of recovered funds to the RTF.
160. The TRC recommends to the GOL to negotiate with victims of economic crimes to obtain consent for funds to be routed to a RTF. In addition, the TRC also recommends that the GOL contribute the fines that result from convictions for economic crimes committed during the TRC's temporal mandate to the RTF.
161. The TRC recommends that the GOL aggressively seek to trace, identify and freeze assets of those individuals and entities that committed economic crimes in Liberia. The GOL should utilize the process established by the UN Convention Against Corruption to achieve this result.<sup>228</sup>
162. The GOL should use both criminal confiscation laws in Liberia and civil forfeiture laws in the countries where stolen assets are located to recover funds to be repatriated to Liberia.

#### *International Law*

163. In the event that Liberia establishes a court with jurisdiction to prosecute individuals for crimes under international criminal law, the GOL should incorporate the prosecution of grave economic crimes into its mandate.
164. Under international criminal law, individuals that committed economic crimes during a period of armed conflict should be prosecuted for pillage, a war crime.<sup>229</sup> Pillage is prohibited by numerous instruments of international humanitarian law, as well as the statutes of the International Military Tribunal at Nuremberg (IMT),<sup>230</sup> the International Criminal Court (ICC),<sup>231</sup> the

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<sup>227</sup> See PL § 50.9.

<sup>228</sup> See UNCAC, Chapters IV-V.

<sup>229</sup> See Rome Statute of the International Criminal Court, Art. 8. Pillage refers to the unlawful appropriation of public or private property during an armed conflict.

International Criminal Tribunal for Rwanda (ICTR),<sup>232</sup> the International Criminal Tribunal for Yugoslavia,<sup>233</sup> and the Special Court for Sierra Leone.<sup>234</sup>

*Recommendations for the Government of Liberia, Legislature and Solicitor General*

165. The GOL should ensure that assets frozen under UN sanctions not be released until Liberia has had an opportunity to recover tax arrears.
166. The GOL should ensure that relevant Ministries have the capacity to implement important reforms. When capacity is inadequate, the GOL must seek international support.
167. The Liberian Legislature should amend laws as necessary to strengthen the prosecution of economic crimes and maintain good governance.
168. The GOL should conduct a concession review of the mining sector, as it did the timber sector, to discover the extent of economic crimes within that sector. The establishment of a concession review in the mining sector would: (1) clarify mining rights within the sector; (2) calculate tax arrears by corporations; (3) determine whether mineral companies complied with Liberian law; (4) document corruption, illegality and mismanagement and establish a historical record; and (5) provide a platform to advocate for and establish important institutional controls to prevent future abuse.
169. The Liberian Solicitor General should aggressively investigate both the allegations of economic crimes contained in this report and those that arise through subsequent investigation.
170. The Liberian Solicitor General should aggressively prosecute alleged economic criminal actors and use criminal confiscation laws to recover stolen assets.

*Recommendations for the International Community*

171. The international community should investigate instances of economic crimes related to the TRC's temporal mandate where it has either universal jurisdiction or the foreign state has jurisdiction over the case.

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<sup>230</sup> See Charter of the Nuremberg International Military Tribunal, Art. 6.

<sup>231</sup> See Rome Statute of the International Criminal Court, Art. 8.

<sup>232</sup> See Statute of the International Criminal Tribunal for Rwanda, Art. 4.

<sup>233</sup> See Updated Statute of the International Criminal Tribunal for the Former Yugoslavia, Art. 3.

<sup>234</sup> See Statute of the Special Court for Sierra Leone, Art. 3.

172. The international community should also provide legal and forensic accounting assistance towards the investigation and prosecution of economic crimes in Liberia and provide technical, financial and political support for Liberia's institutional reform measures with respect to economic crimes.
  
173. The international community should also establish legislation to safeguard states against economic crimes such as money laundering, foreign corrupt practices, arms smuggling and to combat obstacles such as bank secrecy.