



SOCIETY FOR
THREATENED



STP REPORT > SUMMARY IN ENGLISH

*Dealings in illegal gold:
Swiss, US and Italian
refineries under suspicion*

SUMMARY

Peru is rich in mineral resources. Exploitation thereof is very important for the country's development. However, unregulated mining of raw materials without consultation of the affected populace entails huge risks. Peru serves as a very clear example of this. While industrial production repeatedly triggered social conflicts and protests about issues such as environmental damage and human rights violations, the regions affected by the gold rush in the southeast of the country became a lawless Eldorado with major social problems, violence, criminality and hardship. The many small-scale prospectors in the regions Madre de Dios, Puno and Cusco extract gold from the ground, gram by gram, under unspeakable conditions and without any alternative. This manner of production releases large amounts of mercury and other toxic substances that are not only extremely hazardous to people's health, but also destructive to the rainforest and the ecosystem.

The situation in these areas became so out of hand that Peru's government had to act. This is why the authorities launched a package of measures to tackle illegal gold mining in 2008. From 2010 onwards, security forces took severe action against illegal gold panners, destroying excavators and other heavy construction machinery. After protests by gold panners, the authorities issued regulations to formalise the artisanal miners. Among other things, these regulations specified the conditions for registration and for the granting of prospecting rights.

In 2011, the Ministry of the Environment published a study on the consequences of gold panning in Madre de Dios. It came to the conclusion that practically all gold production in the region was illegal. The gold rush had attracted not only impoverished people seeking to secure a livelihood, but also unscrupulous firms that had started trading in illegal gold, sometimes with immense criminal energy. These firms found willing buyers, both domestically and abroad, because neither the large Peruvian gold exporters nor the foreign gold refineries were concerned about the exact origins of the gold.

In response to this state of affairs, the president of Peru signed a workable decree at the end of February 2012, making the illegal mining of raw materials a severely punishable offence. The paragraph forbidding the financing of illegal gold mining was groundbreaking. With this, Peru laid a foundation on which to proceed against not only the production, but also the trading and export of illegal gold. However, nothing changed at first, because the state made no attempt to implement the law. As a result, dealings in illegal gold remained highly lucrative.

From December 2013 onwards, a series of gold seizures were conducted by the customs and tax authorities, and investigations were initiated by the public prosecution office to counteract money laundering. Today, the customs authority's auditing body estimates that a quarter of the gold that gets exported comes from illegal origins. The previously unconcerned gold trading community was alarmed by the state interventions. Gold traders and gold exporters were forced to halt certain business activities, went bankrupt, or found themselves in prison. However, illegal gold production continued in the regions in question. Who purchases this gold? Where is it exported to? Who are the end consumers? These questions prompted the Peruvian Internet portal Ojo Público and the Society for Threatened Peoples (STP) to examine the dealings in dirty and illegal gold more closely because the entire supply chain is to be held responsible.

It soon became clear that another, previously overlooked link in the gold trading chain played the key role with regard to the question of whether or not illegal or dirty gold finds buyers and reaches the global market: the gold refineries. In July 2012, the daily newspaper El Comercio revealed that the PAMP refinery belonging to the Geneva-based MKS Group processed all the gold from the Peruvian firm UMT. In Peru, UMT is under investigation on suspicion of money laundering. This came as a bombshell and the public found out about the illegally obtained gold reaching Switzerland. The same article also put two other Peruvian gold exporters under the spotlight: AS Perú and E&M Company. Both were purchasing gold from the area where the most gold is mined illegally: Madre de Dios. Another Swiss refinery was identified as a purchaser of gold from both these firms: Metalor Technologies. Unlike the MKS Group, which ended its business relations with UMT shortly after the article was published, Metalor did not cease to acquire gold from dubious origins and, for around 14 months, continued to process gold that was, at least in part, from illegal sources. Metalor was able to get off lightly. Shortly after the refinery brought its dealings with E&M to an end, the Peruvian customs authority confiscated almost 10 kg of gold from the company, due to suspected illegal origins.

The name Metalor keeps cropping up: Metalor was the main customer of Mine Tambopata, which delivered gold from Madre de Dios to Switzerland until the start of 2013 and is currently under investigation. Another one of Metalor's gold suppliers was Sociedad Minera Rinconada. The Peruvian public prosecution office has also initiated proceedings against this company due to suspected money laundering and the company has subsequently ceased its business activities, because the region Puno is also affected by illegal gold mining.

Several firms have stopped exporting gold. Nevertheless, illegal gold production continues. This raises the question of where this gold is exported to today and via which channels. Inquiries have yielded surprising results: beginning at the time of the gold seizures from dubious companies at the start of 2014, the firm *Minerales del Sur* massively increased its gold exports. Since 2008, this long-term *Metalor* supplier has already delivered around 50 tonnes of gold, worth 1.85 billion dollars, to Switzerland. Astonishingly, this firm exports considerably more gold than the region *Puno* officially produces. It is therefore no surprise that *Minerales del Sur* is being investigated by the *Madre de Dios* public prosecution office. *Minerales del Sur* is allowed to purchase gold from gold panners who are in the process of formalisation. However, out of the approximately 100,000 active small-scale prospectors in the region, only 3,451 people have signed a declaration of intent to formalise and only around 800 hold a mining permit. How does *Minerales del Sur* manage to legally purchase such a large amount of gold?

For *Metalor*, the incident regarding the company *Famyr Group* is probably the most serious. In January 2014, 10.54 kg of gold intended for *Metalor* was seized from *Famyr* by the customs authority. The public prosecution office believes that this gold came from illegal production. In connection with *Famyr*, an arrest warrant for fraud, falsification of documents, drug dealing and money laundering was apparently also issued. As the case was publicised in the Peruvian media, *Metalor* submitted a suspicious activity report to the Swiss Money Laundering Reporting Office in April 2014. The reporting office passed the case on to the Office of the Attorney General of Switzerland and asked the relevant Peruvian office for further information that had not yet been received. It remains to be seen whether a preliminary hearing against *Metalor* will be initiated.

The two refineries *MKS/PAMP* and *Metalor* are not the only refineries that purchase gold from Peru. Several US refineries and one Italian refinery are also known to be importers of dubious gold. The aforementioned confiscations of gold from exporters due to the gold's alleged illegal origins have proven to be particularly incriminating. Most of the confiscated gold was intended for the US refineries *Kaloti Metals*, *NTR Metals*, *Atomic Gold* and *Aram Asset Management*, for *Italpreziosi* of Italy, and for *Metalor*.

The report's meticulously compiled facts show that firms from both Switzerland and the USA processed illegal gold up until 2013 and that it is highly likely that some refineries still obtain illegal gold from Peru today, alongside legal gold.

This report in English is a summary of the detailed original report in Spanish. In its two sections, it explains the wheelings and dealings of four refineries based in the USA and one in Italy.

For in-depth detailed reading, the full-length Spanish version of the report can be accessed via the following link: **www.gfbv.ch/baselworld**

1. INTRODUCTION

An examination of Peruvian media reports from the 80s and 90s shows that gold mining activities in the regions Madre de Dios and Puno in the southeast of the country were initially considered a social problem pertaining to labour law at the time. This was mainly because headlines were made by the workers (some of whom were minors) who drowned in Huepetuhe's gold mining areas while diving for gold-bearing slag in the enormous contaminated lagoons, or who froze to death while removing rock in the icy tunnels beneath the snowy peaks of La Rinconada.

Already at that time, gold production in the southeastern regions and nationwide was an illegal activity, but was paid little attention by the state because of other priorities, such as combating the subversive movement Shining Path.¹ However, at the start of the new millennium, illegal mining in these regions became an ever-increasing threat to the Amazonian rainforests and to nature reserves, especially after the area was made more accessible by the construction of the Inter-oceanic Highway that connects the Madre de Dios region with Brazil and Bolivia. The unparalleled rise in the price of gold over many years was also a contributing factor. A brown scar of sludge ate its way further and further into the rainforest along the Inambari River, crossed the Interoceanic Highway and penetrated as far as the Tambopata National Reserve, one of Peru's most biodiverse ecosystems. Today, the area destroyed by illegal mining is known as La Pampa.

Experts from the state, the national media and environmental organisations now no longer view illegal mining solely as a social problem or one pertaining to labour law. Today, it is increasingly seen as the main cause of landslides, forest destruction and pollution of rivers in the Peruvian Amazon. One defining moment that led to this new understanding of illegal gold mining was in 2010, when the Minister of the Environment at the time arranged for journalists to be flown into the mining area during a military deployment against illegal prospectors in Madre de Dios, so that they could film the terrible destruction from helicopters and report on it.

The awareness-raising campaign in the media shaped public opinion. More military deployments in the rainforest and along the rivers of Madre de Dios were also carried out. From aeroplanes, the units bombarded excavators and rafts used for illegal gold mining. However, these repressive measures on the part of the state

1 Sendero Luminoso

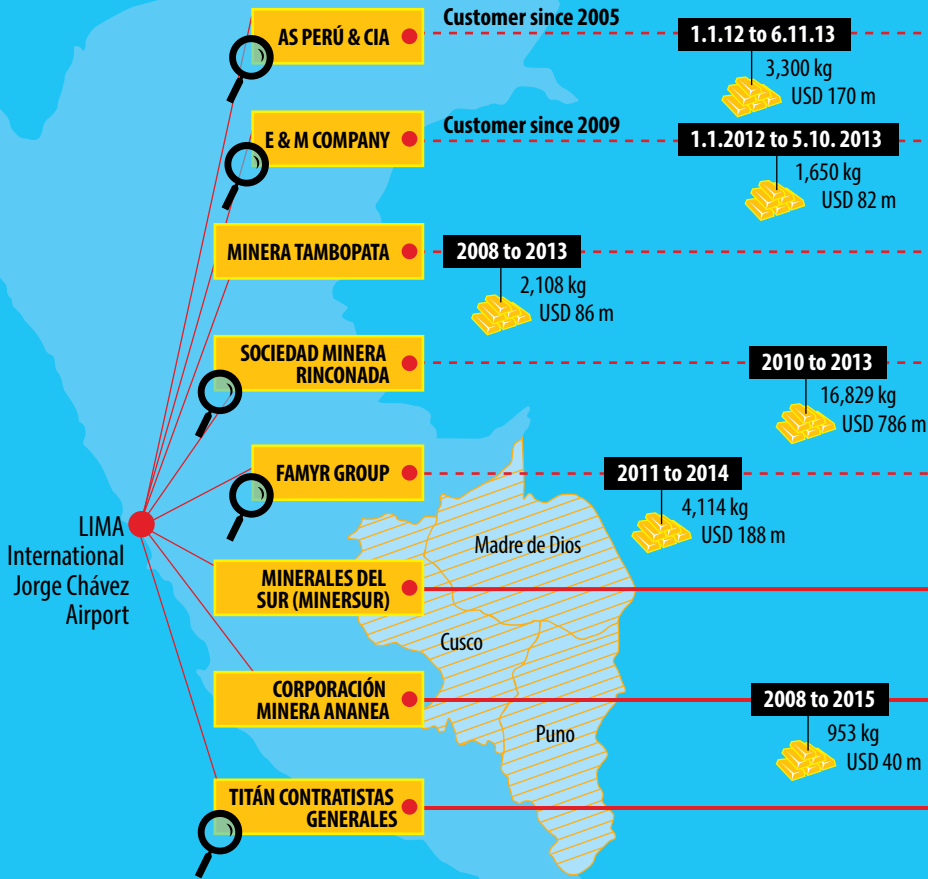
have very little effect. They pave the way for social unrest and do not stop illegal gold mining at all. Due to a lack of alternative forms of employment, the artisanal miners, who are at the bottom of the gold supply chain, take to the streets in protest against being criminalised. They are also represented on a political level: two regional politicians with connections to illegal gold mining in the region have made use of the resentment in the populace, getting elected to the national congress and as president of the regional government, respectively.

Another rethink occurred in 2012 when the Peruvian state found out, via research conducted by a daily newspaper, that the Swiss MKS Finance refinery was the main purchaser of gold from Madre de Dios. Taking these new findings into account, the relevant authorities investigated the case. This produced an overview of the entire gold trading chain, beginning with the wheelings and dealings of the illegal gold producers who, as part of organised criminal groups, maintain trade relations with large refineries in several countries, including Switzerland and the USA. This research enabled part of the supply chain for gold from dubious origins to be traced. It was then possible to identify parties who had bought tonnes of this gold: local gold purchasers and Peruvian export firms, as well as foreign refineries in Switzerland (MKS/Pamp and Metalor Technologies), the USA (NTR Metals, Atomic Gold, Kaloti Metals and Aram Asset Management), Italy (Italpreziosi) and the United Arab Emirates.

Various ongoing criminal investigations are addressing the individual links in the supply chain and shedding light, for example, on bank transfers worth millions, which have been carried out for the procurement of gold. An increasing amount of detail is becoming known about questionable firms in Lima, phantom companies with no registered address, and firms that have become part of criminal investigations due to suspicion of money laundering and tax evasion.

Up until 2012, the illegal gold was finding its way to the Global North without causing much of a stir. The refineries and financial companies that acquired the gold did not have to take any further responsibility. Today, it is a different story. This report examines dealings in illegal gold worth billions. It describes in detail how firms from Switzerland, the USA and Italy, which, with few exceptions, are members of the renowned London Bullion Market Association (LBMA), have done business in recent years with firms currently under criminal investigation in Peru for their connections to criminal networks involved in illegal gold mining.

DUBIOUS GOLD EXPORTS TO METALOR



PERU–SWITZERLAND: TRADE OF GOLD FROM DUBIOUS ORIGINS

EXPORTS UP TO 2013/2014

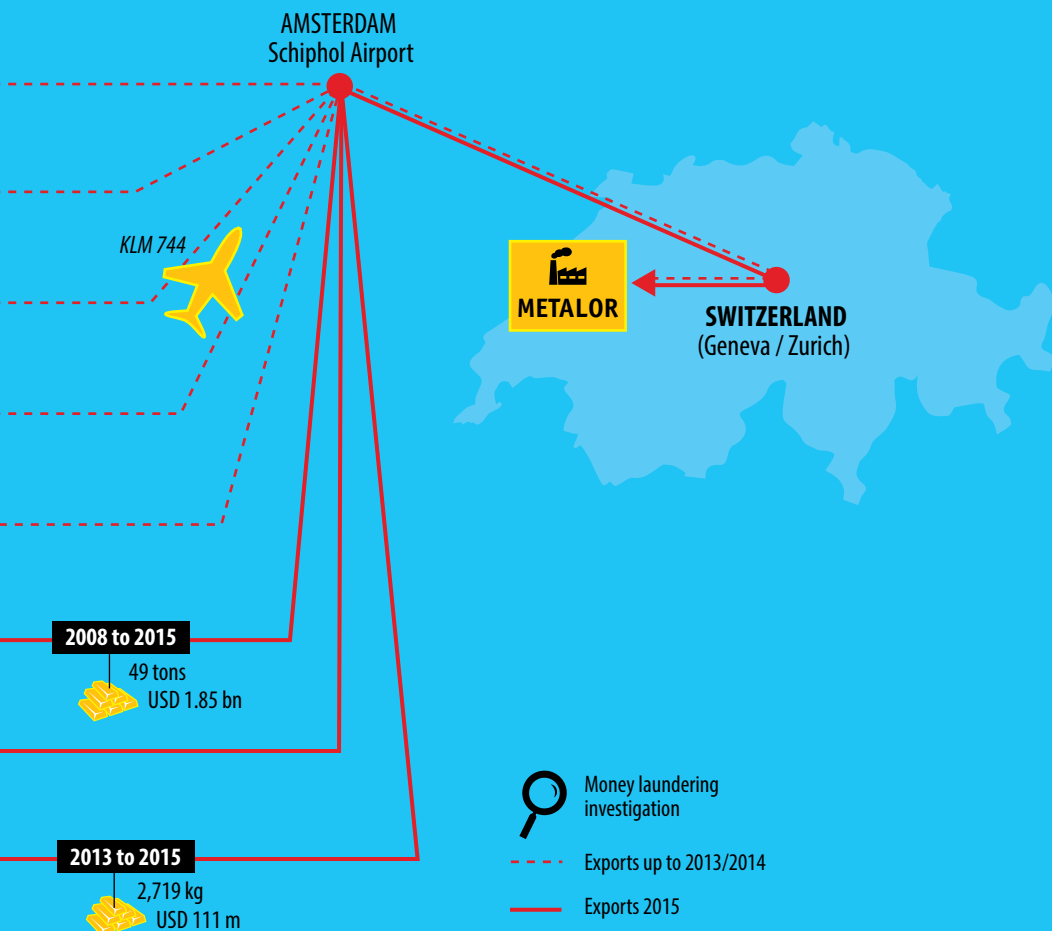
AS Perú & Cia: Metalor had been importing gold from AS Perú since 2005. From 1 January 2012 to the last delivery on 6 November 2013 alone, Metalor imported about **3,300 kg of gold** to the value of more than 170 million US dollars. This happened despite the fact that El Comercio had already discovered the illegal activities of AS Perú at the end of July 2012.

E & M Company: From 1 January 2012 to the last delivery of gold on 5 October 2013 alone, Metalor imported **1,650 kg of gold** to the value of about 82 million US dollars. Metalor only stopped buying from E&M 14 months after El Comercio linked E&M to illegal gold.

Minera Tambopata: Between 26 September 2008 (first delivery) and 11 January 2013 (last delivery), Minera Tambopata delivered **2,108 kg of gold** to the value of 86 US dollars to Switzerland, at least since 1 January 2012 exclusively to Metalor.

Sociedad Minera Rinconada: Between 14 July 2010 and 14 September 2013, Metalor bought **16,829 kg of gold** to the value of 786 million US dollars from Sociedad Minera Rinconada.

Famy Group: From 4 November 2011 to 11 January 2014, Famy delivered **4,114 kg of gold** to the value of 188 million US dollars to Metalor. On 16 January 2014, **10.5 kg of gold** have been confiscated and a money laundering proceedings have been initiated.



EXPORTS 2015

Minerales del Sur (Minersur): From 2008 until the end of July 2015, Metalor imported **49 tons of gold** to the value of 1.85 billion US dollars. Minersur has a branch office and access to gold-mining concessions in the controversial region of Madre de Dios. It exports more gold than is officially produced in this region.

Corporación Minera Ananea: Between 30 September 2008 and 9 January 2015, Metalor imported **953 kg of gold** to the value of about 40 million US dollars from CMA. Since gold has been seized by the customs authorities, the company is undergoing criminal investigations.

Titán Contratistas Generales: Metalor is the only customer buying mined gold from Titán Contratistas Generales. From 27 March 2013 (the day of Titán's first gold export) until the end of July 2015, Metalor imported **2,719 kg of gold** to the value of about 111 million US dollars. On 4 June alone, more than half a ton of gold to the value of almost 20 million US dollars was delivered, despite the fact that TCG is undergoing criminal proceedings. The prosecution launched money laundering proceedings.

2. GOLD SMUGGLING ROUTES TO BOLIVIA

The long border between Peru and Bolivia runs through the Amazon, the Andean Plateau at 5000 metres above sea level and one of the largest lakes in South America: Lake Titicaca. On the Peruvian side, this lake is in the province of Puno and on the Bolivian side it is near La Paz, the neighbouring country's capital city. Most of the official and informal border crossings are used by criminal organisations for smuggling all possible products, such as groceries for daily consumption, branded clothing, alcoholic beverages and electrical appliances. However, in these grey zones of the border area between the two countries, the Peruvian-Bolivian drug mafia is also active, transporting either cocaine from the valleys where it is grown, or cash for purchasing the drug. In recent years, the Peruvian authorities have also apprehended an increasing number of illegal gold dealing rings. Their routes begin in Madre de Dios and pass through Ananea, where La Rinconada (one of Peru's largest gold mining centres) is situated, all the way to the border town Desaguadero, an official point of entry to Bolivia.

Two main gold trade routes to Bolivia are known. One runs from Madre de Dios, where the gold is mainly mined along the rivers, into the regions Bando and Beni. The other (more important) route runs from La Rinconada to La Paz. La Rinconada is situated amongst the snowy peaks of the Andes and near the Suches River, which marks the natural border between Peru and Bolivia. Here too, a large amount of gold is produced. Any of this that is not smuggled to La Paz is transported to the city Juliaca and from there it is brought to Lima for export. The Peruvian authorities have come across a number of instances of gold smuggling, for instance in 2012, when two employees of one of the largest Peruvian gold traders from Madre de Dios, Leonardo Callalli Warthon, were detained by the police on their way back with over USD 220,000. The investigations showed that both individuals were involved in illegal gold procurement for this gold trader, so they were sentenced to 8 years' imprisonment. Their superior was sentenced to 10 years in prison for laundering money from illegal gold trading.²

Upon examination of the financial activities of Callalli, who was arrested in 2013 at the airport in Madre de Dios illicitly carrying 8 kg of gold in his luggage, the authorities ascertained that he was a very important intermediary for Universal Metal Trading (UMT). The firm UMT was one of Peru's largest gold export firms and served as a direct supplier of gold to Switzerland's MKS Finance for years.

² <http://www.losandes.com.pe/Policial/20150131/85751.html>

During a research trip pertaining to this report, several Bolivian gold trading markets near the Suches River were visited. This zone is known for illegal gold dealings. One of these places, Chejepampa, is 15 hours away from La Paz. In this remote region, dozens of Peruvians cross the border every week, either to buy gold (or materials necessary for gold production, such as highly poisonous mercury) from the Bolivian miners, or to sell to them.

The Peruvian authorities also mention an increased presence of Peruvian dealers in Bolivia, from the illegal mining areas of Cusco, Puno and Madre de Dios. The travel documents also leave no room for doubt about the rise in Peruvians traversing the border at the Desaguadero border crossing. At the end of 2014, SUNAT received conclusive evidence of a dramatic increase in the smuggling of gold to La Paz. The cargoes of gold arriving at the airport in Lima, intended for the USA, indicated a colossal rise in gold production in Bolivia.³

³ <http://ojo-publico.com/12/los-vuelos-secretos-del-oro-ilegal>

3. US AND ITALIAN REFINERIES

4.1 Kaloti Metals & Logistics

Kaloti Metals & Logistics is a gold acquisition company based in Miami, USA. This company is part of the Kaloti Jewellery Group from Dubai, United Arab Emirates. It was founded in 1943 by the Jerusalem-born Palestinian Munir Ragheb Moussa Al-Kalouti, generally known as Munir Al-Kaloti. In 1968, according to his autobiography, he was one of the first Palestinians to take up residence in the emirates Abu Dhabi and Dubai. This is where he started his career as a dealer, which eventually led him to the founding of the region's most important group of refineries and jewellers as part of the Dubai Multi Commodities Centre (DMCC), which is also a member of the London Bullion Market Association (LBMA).

The year 2011 saw the opening of the Kaloti Metals & Logistics office in Miami, headed by Awni Kaloti, son of Munir Kaloti. Since then, this company has grown to become one of the main buyers of South American gold, particularly from Peru, Colombia, Ecuador and Bolivia. The authorities in charge of investigating illegal gold dealings have discovered that Kaloti had also commenced business activities in Lima at the branch office of the goods transport firm Hermes. From here, Kaloti staff purchased gold from various Peruvian export companies. Between 2013 and 2014, the authorities monitored this firm because of its trade relations with businessman Peter Ferrari.⁴ At the end of the 90s, he was convicted of drug dealing and investigated for purchasing gold from dubious origins. His alleged illegal activities continued up until 2014, when SUNAT confiscated at least 126.61 kg of gold from the exporter Compañía Minera Sumaq Orko, 111.54 kg from C.G. Koenig and 98.61 kg from Oxford Gold, all of which was intended for Kaloti. Despite strong resistance on the part of the US company, the cargoes were confiscated and money laundering investigations into the Peruvian export firms were initiated, as they could provide no evidence of the gold's origins. Moreover, SUNAT's detailed trade databases prove that Kaloti also obtained gold in the past from other exporters, from whom gold from allegedly illegal sources was seized in 2014. These include Giovanni Gold, Compañía Minera San Serafín, Empresa Comercializadora de Minerales Rivero and Axbridge Gold.

⁴ <http://elcomercio.pe/politica/justicia/red-peter-ferrari-exporto-14-toneladas-oro-eeuu-noticia-1799283> and <http://larepublica.pe/28-03-2015/incautan-100-kg-de-oro-mas-a-mafia-que-seria-de-peter-ferrari>

THE MOST IMPORTANT GOLD MINING REGIONS



3.2 NTR Metals - Elemental Direct

NTR Metals was part of Ohio Precious Metals (OHP), one of the largest US companies involved in purchasing, selling, refining and storing gold, silver and other precious metals. In June 2015, both the LBMA member OHP and NTR Metals changed their names, to Elemetal and Elemetal Direct, respectively. From then on, their activities were primarily focused on trading with Colombia and Peru. The offices in Peru are housed within the firm Prosegur, which provides transport and storage of valuables. In 2014, the authorities seized various cargoes of precious metal addressed to the company NTR Metals. These included a total of almost 60 kg of gold, which was from the exporters D&J Ares Group Merchandising, Productos Exclusivos del Perú, Inversiones ASJ Carillo, Multinational Group of Gold and N&R Inversiones Alameda. NTR Metals was also the refinery that took over AS Perú's gold exports after Metalor stopped purchasing this gold. NTR Metals also crops up as a previous customer of the exporters Mega Gold, Empresa Comercializadora de Minerales Rivero, Holding Minero del Perú and Axbridge Gold. SUNAT subsequently confiscated gold from all of these firms. Like in the case of Kaloti Miami, both the office of the chief public prosecutor and the public prosecution office in charge of money laundering launched investigations into the Lima-based Peruvian export companies responsible for the cargoes, due to the alleged illegal origins of the metal.

3.3 Republic Metals Corporation

Republic Metals Corporation (RMC) was founded in the year 1980 in Miami by the US businessman Richard Rubin. This company, which is currently one of the country's most important refineries, is run by his son, Jason Rubin. In 2014, RMC reached a high point when it was admitted to the LBMA. The investigations that followed seizures in 2013 and 2014 revealed that RMC was one of controversial businessman Peter Ferrari's buyers.⁵ The anti-drug investigations authority also shed light on gold trading activities between RMC and the gold firm belonging to the Sánchez-Paredes family, who are known for their previous convictions for drug dealing and are currently the focus of money laundering investigations.

3.4 Aram Asset Management

This company was founded in the year 1996 in Curaçao, an island state and tax haven. It owns offices in Miami and is represented by Raúl Linares Sanoja of Venezuela. This firm became famous after border guards seized 50 kg of gold from the Peruvian export company Mining & Energy in 2014. According to the investigations, this Peruvian exporter had received payment for this gold consignment in

5 <http://www.inforegion.pe/144361/sanchez-paredes-la-baraja-de-bharara/>

advance. Prior research had proven that the gold came from illegal production in Puno and Cusco. The export company Mining & Energy, founded in the year 2012 in Lima, has only one employee. Ricardo Rodríguez Silva of Peru is mentioned as partner and managing director, a former legal analyst who had exported 590 kg of gold to the Aram Asset Management office in Florida in the year 2013. In that same year, a 20 kg consignment of gold from the Peruvian firm Inversion Real Perú, also addressed to Aram Asset Management, was confiscated.⁶

3.5 Atomic Gold

Atomic Gold Inc replaced Metalor as a customer of the gold exporter E&M after Metalor deemed its business relationship with E&M too risky and terminated it. Accordingly, Atomic Gold was also the customer pertaining to the just under 10 kg of gold from E&M that the customs authority seized at the start of 2014. In the past, Atomic Gold also obtained gold from Productos Exclusivos del Perú, Inversiones ASJ Carrillo and Axbridge Gold. The customs authority confiscated gold from all of these firms at a later date.

3.6 Italtrepreziosi

This Italian firm is owned by businesswoman Ivana Ciabatti and based in Tuscany. It was named in connection with a money laundering case stemming from illegal gold production as a result of the seizure of 18 kg of gold from the Peruvian export firm Giovani Gold in 2014 and 13.17 kg from Mega Gold. The first case is currently being investigated by the chief public prosecutor and the anti-money-laundering authorities. Moreover, in Peru, Italtrepreziosi is linked to the Sánchez-Paredes family, who have been convicted for laundering money from drug dealing.⁷ Although no branch is registered in the capital Lima, Italtrepreziosi had rented offices that were housed within the firm Hermes. In the past, Italtrepreziosi was a customer of the exporters D&J Ares Group Merchandising, Productos Exclusivos del Perú, Inversiones ASJ Carrillo, Multinational Group of Gold, C.G. König and Axbridge Gold. In 2013 and 2014, the customs authority confiscated gold of alleged illegal origins from all of these firms.


6 <http://elcomercio.pe/lima/sucesos/internan-176-kilos-oro-ilegal-banco-nacion-noticia-1713465>

7 <http://www.caretas.com.pe/Main.asp?T=3082&idE=1073&idS=263#.VklZTt8vdPM>

GOLD CONFISCATED BY THE CUSTOMS AUTHORITIES BEFORE BEING EXPORTED

Compañía minera Sumaq Orkro	126.61
Compañía minera Sumaq Orkro	99.84
Golden Trading International	0.5
D & J Ares Group Merchandising	8.52
Giovanni Gold	18.59
Productos Exclusivos del Perú	18.00
Inversiones ASJ Carrillo	4.55
Hemo Cardio	1.8
Multinational Group of Gold	10.16
Mega Gold	13.17
Famyr Group	10.56
E&M Company	9.76
N&R Inversiones Alameda	16.86
JED Metales	47.84
Inversiones Real Perú	20.9
Premium Gold Export	27.89
Compañía Minera San Serafín	38.61
Empresa Comercializadora de Minerales Rivero	304.02
Holding Minero del Perú	15.3
C.G. Koenig	111.54
Mining Energy Solutions	50.25
Miguel Ángel Farro Pérez/Minera Centauro	13.391
Insumos y Minerales del Sur-AGG Negocios	24.00
Oxford Gold	98.61
Axbridge Gold	17.62
TOTAL	1108.9

The table lists the exporters under judicial scrutiny, the amount of gold confiscated by SUNAT in 2013 or 2014 and the gold they received between 1 January 2012 and 31 July 2015 according to SUNAT export lists, updated in 2016. Most of

 **COMPANY THE CONFISCATED DELIVERY WAS DIRECTED TO**

 **TRADE RELATIONS IN THE PAST (since 1 January 2012)**

KALOTI METALS	One delivery to Kaloti Metals (46 kg).
TBD	One delivery to Kaloti Metals (46 kg).
TBD	no data
NTR METALS	no data
ITALPREZIOSI	Italpreziosi (576 kg) and one delivery to Kaloti Metals (4 kg).
NTR METALS	Atomic Gold (79 kg), Italpreziosi (80 kg), NTR Metals (573 kg).
NTR METALS	Atomic Gold (13 kg), Italpreziosi (41 kg), NTR Metals (64 kg).
HK PRIVATE CAPITAL / TRECOR	no data
NTR METALS	NTR Metals (579 kg), Italpreziosi (238 kg).
ITALPREZIOSI	NTR Metals (1169 kg), Italpreziosi (275 kg).
METALOR	Metalor (3960 kg).
ATOMIC GOLD	Metalor (1658 kg), Atomic Gold Inc (182 kg).
NTR METALS	NTR Metals (489 kg).
GOLD BY GOLD S&P TRADING	S&P Trading/Gold By Gold (7000 kg).
ARAT ASSEM MANAGEMENT	Aram Asset Management (129 kg).
WORLD PRECIOUS METAL REFINING	One delivery to World Precious Metals Refining Inc (24 kg).
TBD	Two deliveries to Kaloti Metals (30 kg).
TBD	NTR Metals (489 kg), Kaloti Metals (899 kg).
TBD	NTR Metals (599 kg), Brinks Global Services (143 kg).
KALOTI METALS	The Karat Bank (688 kg), Nesci Metals (143 kg), Italpreziosi (126 kg), Kaloti Metals (879 kg).
ARAT ASSEM MANAGEMENT	Aram Asset Management (512 kg).
TBD	Saki Gold Corporation (234 kg) / Metalor (gold-silver 2630kg).
TBD	L'Orfibre SA (60 kg), Drummond and Smythe Commodities (1 kg).
KALOTI METALS	Kaloti Metals (2604 kg).
TBD	Atomic Gold (79 kg), Italpreziosi (128 kg), NTR Metals (850 kg), Kaloti Metals (294 kg).

Company the confiscated delivery was directed to if known. The last column lists all customers and the total amount of the Peruvian exporters stopped exporting gold after the initiation of judicial activities.

4. RECOMMENDATIONS

In order to address the serious problems relating to gold panning, the Society for Threatened Peoples makes the following recommendations:

4.1 RECOMMENDATIONS TO THE PERUVIAN AUTHORITIES

- Implementation of the international standards of the UN Guiding Principles on Business and Human Rights, especially the “state duty to protect”.
- Compliance with the international human rights obligations, especially the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights, the Universal Declaration of Human Rights, the Indigenous and Tribal Peoples Convention ILO 169, the UN Declaration on the Rights of Indigenous Peoples, and the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment.
- Full and effective implementation of the right to consultation, participation and free, prior and informed consent (FPIC) of indigenous peoples and other parts of the population affected by extraction activity. The FPIC requirement must be applied in all negotiation processes.
- Implementation of the due diligence process regarding the multinational enterprises active in Peru. This due diligence process should be aligned to the standards on corporate social responsibility laid down in the OECD Guidelines for Multinational Enterprises.
- Provision of accountability mechanisms and access to effective remedies for human rights violations.
- Cessation of the criminalisation of peaceful social protests within civil society in Peru.
- Improved implementation of the formalisation process for informal gold miners.
- Promotion and support of the informal gold miners and small enterprises through simplified permission processes, as well as an approach consistent with human rights norms aimed at combatting the illegal production and trade of gold in a proportional manner.
- Fostering of alternative economic activities for the informal gold miners.

4.2 RECOMMENDATIONS TO THE REFINERIES

- The refineries shall conduct a rigorous human rights due diligence process and screening, and they shall control its gold producers and gold sellers in the sense of “to know and to inform”, publishing the results of this due diligence procedure.
- The refineries shall disclose the identities of the producers and exporters of the mined gold and therefore contribute to a transparent chain of custody.
- The refineries shall only buy clean gold*.
- The refineries shall promote and support the production of gold produced under particularly salient respect for human rights and environmental matters.

4.3 RECOMMENDATIONS TO THE SWISS AND US AUTHORITIES

- Binding implementation of the UN Guiding Principles on Business and Human Rights and its three pillars: first, the state duty to protect; second, the mandatory corporate responsibility to respect human rights; and third, the provision of access to remedy.
- Use of diplomatic means to encourage the government of Peru to respect human rights.
- Implementation of the guidelines on human rights defenders.
- Support of the production of gold in conditions of particularly salient respect for human rights and environmental matters.
- Enactment of legislation that prohibits the acquisition of illegal gold or gold from a production that does not respect human rights and affects the environment.
- Disclosure of detailed data, based on bills of lading, that provides information on the exact origin, as well as on the import and export of goods such as precious metals.

4.4 RECOMMENDATIONS TO THE GOLD PROCESSING INDUSTRY, ESPECIALLY THE WATCH AND JEWELLERY INDUSTRY

- Signing and implementation of the Golden Rules for clean gold.
- Execution of a rigorous human rights due diligence process in the sense of “to know and to inform” and disclosure of the results.
- Purchasing and processing of only clean gold.
- Promotion and support of the production of gold in conditions of particularly salient respect for human rights and environmental matters.

Note: There are several certification schemes for raw materials and products in the market for gold and jewellery. However, there is still controversy about their appropriateness and seriousness. The Society for Threatened Peoples can only recommend gold certified on the basis of fair trade standards.

** “Clean gold” means that the production of gold does not directly or indirectly lead to human rights violation and is as sustainable as possible.*

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WITH THE STP FOR HUMAN RIGHTS

The Society of Threatened Peoples (STP) is an international human rights organisation that supports minorities and indigenous peoples. It documents human rights abuses, informs and sensitises the public, and represents the interests of victims against authorities and decision makers. It supports local efforts to improve the human rights situation for minorities and indigenous peoples, and works together, both nationally and internationally, with organisations and people that are pursuing similar goals. The STP has advisory status both at the Economic and Social Council (ECOSOC) of the UN and at the Council of Europe.



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