

# War and Peace in Sierra Leone:

Diamonds, Corruption and the Lebanese Connection

by Lansana Gberie

Ours was not a civil war. It was not a war based on ideology, religion or ethnicity, nor was it a 'class war'... It was a war of proxy aimed at permanent rebel control of our rich diamond fields for the benefit of outsiders. – Ahmad Tejan Kabbah, President of Sierra Leone<sup>1</sup>

While objective grievances do not generate violent conflict, violent conflict generates subjective grievances. This is not just a by-product of conflict, but an essential activity of a rebel organization... The task in post-conflict societies is partly, as in pre-conflict societies, to reduce the objective risk factors. However, post-conflict societies are much more at risk than implied by the inherited risk factors, because of this legacy of induced polarizing grievance. Either boundaries must be re-established between the political contest and violence, or the political contest must be resolved. Neither of these is easy, which is why, once a civil war has occurred, the chances of further conflict are so high.

– Paul Collier, World Bank<sup>2</sup>

In January 2002, after the formal conclusion of a UN-supervised disarmament, the Sierra Leone government announced that the country's decade-long war was over. A UN peacekeeping force, 17,000-strong, patrolled the countryside. The National Committee for Disarmament, Demobilization and Reintegration (NCDDR) said that a total of 45,844 ex-combatants—27,490 from the pro-government Civil Defence Forces (CDF) and 18,354 from the Revolutionary United Front (RUF)—had been disarmed, a large number of them children.<sup>3</sup> Shortly afterwards, the

## The Study

This report follows three extended trips by the author to Sierra Leone, in 2001 and 2002. It presents an overview and analysis of the situation in Sierra Leone with respect to the diamond industry since United Nations intervention in 2000. It evaluates efforts made by the Sierra Leone government to ensure greater transparency and probity in diamond mining, purchasing, valuation and oversight, and examines the effect of the diamond certification scheme. The report also examines a much discussed but rarely studied phenomenon: the role of Sierra Leone's large Lebanese community, which dominates the diamond industry and presents major obstacles to meaningful reform.

The scourge of Sierra Leone's diamonds over the past decade has been the war and the RUF rebels; the wider historical and present-day scourge is corruption. The paper concludes that in the final analysis, Sierra Leone's recovery from decades of economic meltdown and political and social turmoil will depend, to a very large extent, on how it manages its vitally important extractive sector, especially the diamond industry.

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'new' British-trained Sierra Leone Army began to deploy near Sierra Leone's borders with Liberia and Guinea, ahead of elections which were scheduled for May. There were widespread fears that a 'breakaway RUF faction', said to number about 500 and led by a notorious former RUF commander, Sam 'Maskita' Bockarie, would mount cross-border operations from Liberia to disrupt the polls.<sup>4</sup> In fact, the elections were conducted peacefully, and were generally deemed to have been free and fair. Ahmad Tejan Kabbah, who was first elected President of the war-ravaged country in 1996, and who led Sierra Leone through a traumatic peace process, was re-elected to a five-year term in a landslide. His was not the most enviable job in the world.

Ten years of war in Sierra Leone has left the country battered and impoverished, with upwards of 50,000 killed, half the population displaced, and more than two-thirds of its already severely limited infrastructure destroyed. In 2000, Partnership Africa Canada (PAC) published a report which put much of the blame for the war—'this enormous human tragedy'—on diamonds, small bits of carbon that have no intrinsic value in themselves, and no value whatsoever to the average Sierra Leonean beyond their attraction to foreigners. *The Heart of the Matter: Sierra Leone, Diamonds and Human Security* recounted the corrupting of Sierra Leone's diamond industry, from peak exports of two million carats a year in the 1960s, to less than 50,000 carats by 1988. Sierra Leone's despotic president during much of this period, Siaka Stevens, had tacitly encouraged illicit mining, becoming involved himself in criminal or near-criminal activities.

The RUF's war began in 1991, and from the outset, Liberian warlord and later President, Charles Taylor, acted as mentor, trainer, banker and weapons supplier for the motley collection of dissidents, bandits and mercenaries who called themselves the Revolutionary United Front. The rich alluvial diamond fields of Kono District and Tongo Field were among the RUF's earliest and most prized targets.

*The Heart of the Matter* concluded that 'only the economic opportunity presented by the breakdown of law and order could sustain violence at levels that have plagued Sierra Leone since 1991... it is ironic that enormous profits have been made from diamonds throughout the conflict, but the only effect on the citizens of the country where they are mined has been terror, murder, dismemberment and poverty.'

The PAC report showed conclusively that there was virtually no oversight of the international movement of diamonds. It reported that during the 1990s, for example, billions of dollars worth of diamonds were imported into Belgium from Liberia, even though Liberia produces very few diamonds itself. Big companies and small were colluding in the laundering of stolen diamonds. Although estimates of 'conflict diamonds'—diamonds mined and traded by rebel groups—have been estimated at different times between 4 per cent and 15 per cent of the world total, even the low figure represents a significant volume of cash when it is set against the \$7.5 billion annual trade in rough diamonds. In fact, it is estimated that as much as one-fifth of the world's rough diamond trade may be 'illicit' in nature, characterized by theft, tax evasion and money laundering.<sup>5</sup> This is an important issue for post-war Sierra Leone, discussed in greater detail below. Given the secretive and unregulated nature of the international diamond trade, it was a very simple matter for the RUF and its Liberian backers to move millions of dollars worth of diamonds into the legitimate trade, and to use the proceeds to buy weapons and the drugs needed for its young, deprived fighters.<sup>6</sup>

The PAC report made wide-ranging recommendations, including the establishment of a 'Permanent Independent Diamond Standards Commission' under UN auspices 'in order to establish and monitor codes of conduct on governmental and corporate responsibility in the global diamond industry.' It recommended the deployment of 'Special long-term UN security forces' in all the major diamond producing areas of the country, and it recommended a UN Security Council ban on the trade in diamonds said to be of Liberian origin. Following the 1999 Lomé Peace Agreement between the RUF and the Government of Sierra Leone, the UN deployed its largest military force in the world to Sierra Leone, and the Security Council appointed a Panel of Experts which in December 2000 produced a report amplifying the PAC findings. Like the PAC report, it blamed Liberia's President Charles Taylor as the RUF lifeline, with pillage a bigger objective than politics. The UN report estimated the RUF's diamond trade at something between \$25 million and \$125 million a year.<sup>7</sup> Targeted sanctions were soon after imposed on Liberia and the RUF; similar sanctions were imposed on Sierra Leone's diamonds until a UN monitored certification system was introduced in September 2000.

The Kimberley Process, an international forum which aimed to devise an international system of oversight, began to meet at the invitation of South Africa, home to the world's largest diamond company, De Beers.

## War and Diamonds in Sierra Leone

Sierra Leone's struggle to achieve peace, beginning with a failed peace agreement signed in Abidjan in 1996 and a second signed in Lomé 1999, and finally with a massive intervention by UN troops backed by a muscular British military presence, exposed some of the fatal weaknesses of conventional thinking around issues of conflict and conflict resolution in much of the so-called Third World. Most attempts to intervene in, and resolve internal wars in poor countries are often two-track, focusing on the provision of humanitarian assistance on the one hand and the facilitation of peace negotiations on the other. The signing of a 'peace deal', preferably to be followed by elections, becomes the ultimate Pavlovian contrivance: with the peace accord, everything is supposed to fall in place. Ex-combatants and all those who supported one side or the other will presumably vanish, or go back to what they were doing before the war.

What Sierra Leone's traumatic peace process demonstrated, however, is that this traditional, statist approach can be wholly inadequate, even harmful. Sierra Leone's war was neither 'rebellion', in the sense of it being an internal uprising, nor 'civil', in the sense of it being about clearly understandable and achievable political goals. Rather, it was part of a continuous narrative of escalating regional violence and terror driven largely by criminal economic interests, much of it inspired and controlled by Charles Taylor.<sup>8</sup>

Sierra Leone's war officially began in March 1991 when a few hundred armed men—some from Charles Taylor's own forces in Liberia, along with a few Sierra Leonean dissidents and mercenaries—attacked border towns in eastern and southern Sierra Leone. The attacks were dismissed as banditry by the Sierra Leone authorities. But a coup occurred in May 1992, and

the new military junta, hardly distinguishable from the rebels in terms of its foraging activities, allowed the war to escalate. Late in 1992, the rebels captured Kono, Sierra Leone's premiere diamond district. It was only then that the war became a national affair, and the National Provisional Ruling Council (NPRC) launched what it ironically named 'Operation Genesis' (for this was the beginning of what would become a decade-long war) to defeat the rebels. An incipient warlord-type economy was already evident, with the rebels selling looted Sierra Leonean property and vehicles in markets in Liberia and Côte d'Ivoire. Once the RUF captured Kono District in 1992, however, and then for longer periods in 1995, 1997 and 1999, the dynamics of the warlord economy became clearer: the RUF was little more than a murderous diamond mining machine, managed at a distance by Charles Taylor.

The RUF claimed in some of its statements that it wanted 'genuine democracy'. When elections were held in early 1996, the RUF was invited to participate. It refused, instead launching a campaign of intimidation against would-be voters. Hands and feet were chopped off men, women, children, and even babies. When Ahmad Tejan Kabbah became president, he accelerated efforts begun by the military to arrange a peace agreement with the RUF. A deal was ultimately signed in Abidjan in November, 1996, stating that the war was ending 'with immediate effect'. It was assumed that the RUF would take advantage of the accord to set up a political party and become a part of the legitimate political process. The issue of Charles Taylor and Liberia went unaddressed.<sup>9</sup>

A few months after the accord was signed, the RUF collaborated with rogue elements in the Sierra Leone army, and overthrew Kabbah. The new junta, the Armed Forces Ruling Council (AFRC), was characterized by terror and vandalism.<sup>10</sup> Nigerian-led forces finally drove the AFRC from Freetown in February, 1998, and re-instated Kabbah. The RUF and renegade soldiers withdrew into the bush and re-launched their war, and by late 1998, they had taken diamond-rich Kono District once again. In January 1999, a resurgent RUF—reinvigorated with weapons shipped via

Burkina Faso and Liberia, and bought with proceeds of their illicit diamond trade—attacked Freetown. They killed an estimated 6,000 civilians and mutilated thousands more, destroying large parts of the city before being driven back. With waning Nigerian support and no interest from the rest of the world, the government signed a spurious second ‘peace agreement’ in Lomé, Togo in 1999. The agreement legitimized the RUF and brought it into government, giving it several cabinet positions. It also gave the RUF leader, Foday Saybanah Sankoh, a cashiered army corporal and former photographer, vice-presidential status and made him Chairman of a Commission for the Management of Strategic Resources, National Reconstruction and Development. In short, the extreme brutality of the RUF had paid off, making Foday Sankoh the diamond czar of Sierra Leone.

Although the PAC report had made the connection between the RUF’s access to the diamond mines and its fundamental lack of interest in peace, this was grasped slowly by outsiders, and by the United Nations Mission in Sierra Leone (UNAMSIL) peacekeeping force, sent to uphold the provisions of the Lomé agreement. When elements of this 17,000 man force—the largest in the world—began what looked like a probe into the RUF diamond areas, they were stopped in their tracks. Five hundred were abducted and humiliated, provoking a major crisis and leading to international speculation about the end of UN peacekeeping in Sierra Leone and everywhere else. The crisis abated only after robust military intervention by British troops.<sup>11</sup> The UN subsequently imposed targeted sanctions on Liberia: a ban on Liberian diamond sales, and a ban on travel by Liberian officials, including its President, and tougher weapons sanctions.

However, for over a year afterwards, the UN assiduously avoided interfering directly with the RUF’s diamond mining operations. A large Pakistani force was finally deployed in Kono District in June 2001, but even then the RUF continued large-scale mining operations throughout that year.<sup>12</sup> Many of the miners were clearly RUF captives, operating in conditions that can only be described as indentureship.<sup>13</sup> RUF export operations

## A Trip to Tongo

When I visited Tongo in April 2002, I found the once bustling town destroyed and derelict—the handiwork of the RUF. Zambian soldiers with UNAMSIL were accommodated in the shell of a massive building that once housed the National Diamond Mining Company (NDMC), and a small, dispirited police force was billeted in makeshift camps because the police station had been burned down. There were 205 ex-CDF and 200 ex-RUF combatants, all of them engaged in diamond mining with little or no oversight. The ex-RUF claimed that they were still loyal to their former commander, Kailondo Banya, who had gained notoriety for his deadly ambush of civilian vehicles on the Bo-Kenema highway during in the 1990s. Both Banya and the ex-CDF spokesman, Senesie Baryoh, said they were engaged in illicit mining because they had nothing else to do, and that they were awaiting the fulfillment of promises from the National Commission for Demobilization and Reintegration of tools and money so that they could engage in new forms of livelihood.

took a variety of forms. Some diamonds continued to go out through Liberia. Some reports alleged that UNAMSIL personnel had become involved in RUF diamond trading, naming Lebanese traders and RUF officials with whom they were dealing.<sup>14</sup> The *Washington Post* reported in November, 2001, that operatives from the Middle Eastern terrorist group, al Qaeda, visited RUF-held, diamond mining areas several times and arranged diamond buying deals worth millions of dollars, an issue discussed in greater detail below.<sup>15</sup> A UN Expert Panel reported that the then ‘interim’ leader of the RUF, Issa Sesay, flew to Abidjan late in 2001 with 8,000 carats of diamonds which he sold to two dealers of undisclosed identity. Apparently these dealers were ‘using a Lebanese businessman’ who ran errands for them between Abidjan and the Liberian capital, Monrovia.<sup>16</sup> The *Washington Post* disclosures, published in the wake of the September 11, 2001 attacks in the United States, placed more pressure on

the UN mission in Sierra Leone to accelerate the disarmament process and to begin enforcing a mining ban.

In national elections that followed the disarmament, in May 2002, the RUF's political arm received less than two per cent of the vote. Its presidential candidate, Pallo Bangura, actually received fewer votes than the number of RUF combatants who handed in weapons. Cracks within the RUF had become evident after the enforcement of the mining ban, with some RUF commanders accusing Issa Sesay of keeping millions of dollars earned in the diamond trade for himself. A month before the elections, Gibril Massaquoi, a former spokesman for the RUF, allegedly embezzled US\$64,000 in RUF funds. Massaquoi is said to have claimed that he needed the money for himself because, unlike Sesay, he was broke, and had no access to the diamond fields.<sup>17</sup>

Disarray and apparent disintegration within the RUF, however, does not mean that threats to Sierra Leone's long-term stability have disappeared. Reports in April and May 2002, indicated that hundreds of ex-RUF and ex-CDF combatants had been hired by both Charles Taylor and his rebel opponents, Liberians United for Reconciliation and Democracy (LURD), to fight in Liberia's intensifying civil war.<sup>18</sup> The fighting in Liberia may be a case of mercenarism, with many Sierra Leonean ex-combatants remaining unemployed and disillusioned by the absence of promised reintegration benefits—placed on hold by the failure of the donor community to make good on pledges. Whatever it is, it bodes ill for Sierra Leone. Since Taylor launched his war in Liberia, in 1989, Sierra Leone's fortunes have been intimately tied to those of Liberia, and Sierra Leone's decade-long war was a derivative of Liberia's. There is no evidence that Charles Taylor has renounced his long-standing economic and political ambitions in the region. And some of the LURD leadership have an aversion to Sierra Leone's President Kabbah, who in 1998 refused them a base for their war against Taylor.<sup>19</sup> In June 2002, the LURD released a chilling warning to the Sierra Leonean authorities:

Our forces are fiercely containing the remnants of Sam 'Mosquito' Bockarie's Independent RUF and Taylor's NPFL bandits in the dense forest of Kailahun District in Sierra Leone. These bandits have been attacking us at the rear in Foya and Vahun districts, frontier areas to Sierra Leone. We are therefore calling on the authorities of Sierra Leone to act decisively because we do not want to chase these criminals into that country.<sup>20</sup>

A UN Expert Panel report at the time devoted nearly 10 pages to the mysterious whereabouts of the former RUF forces commander Sam Bockarie, presenting him as a 'mystery', a 'mythical' figure.<sup>21</sup> Interviews by this author in Kailahun District in Sierra Leone, close to the Liberian border, and with informants in Ghana in April and May 2002 suggested that Bockarie had been sighted at least three times in Kailahun District late in 2001 and early in 2002. He was recruiting disarmed RUF fighters with up-front payments in US dollars to fight in Charles Taylor's army, and he was in Ghana recruiting Liberian and Sierra Leonean refugees for the same reason. UN military authorities in Sierra Leone reported in June 2002 that after the escalation in fighting between the LURD and Taylor's forces there had been at least seven 'rebel incidents' on the Sierra Leone-Liberia border.<sup>22</sup> By October 2002, 50,000 Liberian refugees had crossed the border into Sierra Leone to escape the fighting at home.

Where diamonds are concerned, the continuing crisis in Liberia is important because there are strong indications that Liberian diamonds are now going through Zimmi, in southern Sierra Leone, in order to beat UN sanctions on Liberia.<sup>23</sup> This reversal of traditional diamond smuggling routes exposes the vulnerabilities of the borders of these countries, and underlines the importance of ensuring effectiveness in the diamond certification systems that have been instituted in Sierra Leone and Guinea.

## Peace and Diamonds

Commercial exploitation of diamonds in Sierra Leone first started in 1931. By 1969, Sierra Leone had produced an estimated nine million carats, with Kono District accounting for between 65 and 70 per cent of the total.<sup>24</sup> For much of the 1960s and 1970s, diamonds dominated the economy, accounting for about 70 per cent of the country's foreign exchange earnings. In fact, however, the real benefits of this enormous wealth were negligible. A major problem was rampant smuggling, which kept taxes on diamond exports very low. This is still a problem, complicated by a war which was fueled largely by illegal mining and smuggling. Even before the war, however, diamonds were widely implicated in the corruption of public officials, in widespread environmental damage, in low-level violence and crime in mining areas, and in the creation of a mercenary and parasitic elite, with the industry serving only the needs of this class and their foreign business partners. Siaka Stevens, who became prime minister (later president) in 1967, became the embodiment of this elite, making the country's large Lebanese merchant community part of his charmed circle and his partners in criminalizing the diamond industry.

A 2002 policy study<sup>25</sup> funded by the British Department for International Development (DFID), places great emphasis on the 'deleterious' effects of corruption, which its authors fear will erode any gains realized from Sierra Leone's remaining diamond reserves. Surprisingly, the report does not mention the Lebanese. The study estimates diamond output 'within 4-5 years' at 'between 750,000 and 1 million carats a year.' 'It is thus possible,' the study suggests, 'that the value of diamond exports will rise from around \$50 million in 2002 to as much as \$180 million by 2006.' It notes, however, that to 're-establish the diamond industry as a benefactor of the country, the issue of corruption must be tackled.'

Sierra Leone government officials, who had estimated production levels in 2001 (when security was far less assured, and when there was not even a discussion of putting the kimberlite mines back into operation) at \$70 million a year, suggest that the study's figures are too conservative if the kimberlite mines are factored



in, and they place greater emphasis on the need to strengthen the state's institutional capacities. They say that the dearth of trained Mines Monitors and Wardens (now reduced to 78 from as high as 108 before the war) is responsible for rampant illicit mining and, by extension, smuggling. Even with the new certification system in place, they claim, official exports are only a fraction of what government had projected.<sup>26</sup> The Ministry of Mineral Resources, however, has been a neglected institution. In April, 2002, it did not have a single official vehicle. Officials, particularly Mines Monitors and Wardens, are poorly paid, and in the absence of strong oversight and security in the mining areas, the incentive for corruption is overwhelming.

Since the beginning of commercial mining in early 1930s, the Sierra Leone diamond industry has amplified, in bold relief, the link between institutional weakness and corruption. The diamonds were discovered in what was then a 'protectorate', an area largely beyond the writ of the colonial government. Minerals were extracted in order to benefit the colonial government and companies doing the mining; few social services were provided in return. In 1956, a colonial inquiry, instituted as a reaction to widespread illicit mining, produced an 'Interim Report on the Alluvial Diamond Mining Scheme'.

It found that in the mining areas the Sierra Leone Selection Trust (SLST), a British company with a monopoly over the most lucrative diamond areas, was seen by the local people as a racket, principally aimed at robbing the 'natives' of their legitimate resources and enriching foreigners. Anyone engaged in illicit mining and smuggling was seen as a hero, not a crook. The minerals were not considered a state resource, but 'the property of the indigenous population and under the control of the Paramount Chief and Tribal Authority.'<sup>27</sup> The problem did not go away after independence, and under Siaka Stevens it only got worse. Diamond mining areas were, even before the war, some of the most impoverished in terms of infrastructure and standard of living. John Hirsch, a former US ambassador to Sierra Leone, visited Kono in 1997, and his impression sums up the grim conditions under which miners work.

I saw a Bruegel version of hell, with hundreds of young men moving huge piles of dirt from one open pit to another, looking in the tailings, the remnants of ground other miners had already scoured many times. As in Las Vegas, everyone hoped to strike it rich just one time. When I asked a high-ranking official in Freetown whether this was the best way for a young man to spend his time, he replied that it was better than doing nothing or being a rebel cutting off arms and legs of peasant villagers.<sup>28</sup>

The conditions under which tens of thousands of artisanal miners work have always been harsh, and successive governments in Sierra Leone have been largely neglectful, so the 'high-ranking official's' comment about the war and alternative employment is disingenuous. That conditions got immeasurably worse when the RUF captured these areas, comprehensively destroying towns and reducing miners to abject servitude, is beyond dispute. Under the RUF's brutal command, these miners produced from the mid 1990s hundreds of millions of dollars worth of diamonds. This is the context in which unscrupulous business people, exploiting poverty and resentment, have further exploited them and the diamond industry at large.

Past attempts to redress the situation have always been feeble. They have included the restriction of artisanal miners' and agents' licenses to Sierra Leonean nationals, and the banning of non-nationals from traveling to actual mining areas. In fact, however, many non-indigenous Sierra Leoneans, particularly Lebanese and Maraka traders from other ECOWAS (Economic Community of West African States) countries, have acquired Sierra Leonean passports which allow them to travel in mining areas and to participate directly in the extraction of the minerals. Because they have external contacts and access to greater resources than indigenous Sierra Leoneans, the Lebanese dominate the diamond industry at all levels. Of the 18 Lebanese holding dealer licenses in 2002, all but 3 were 'non-citizens'. The General Manager of the Government Gold and Diamond Office (GGDO), which values, taxes and certifies diamonds for export, laments the poor performance of indigenous diamond dealers and exporters. The 'overall performance' of indigenous exporters for 2001 was 'only eight per cent of total of exports.'<sup>29</sup> In a situation where banks discriminate against indigenous Sierra Leoneans with respect to loans, poor performance in diamond exporting, which requires substantial capital to start to with, is inevitable.

An attempt to ensure that diamonds benefit communities in which they are actually mined is the aim of a campaign mounted by Sierra Leonean civil society organizations led by the Network Movement for Justice and Development (NMJD), and a USAID project managed by Management Systems International (MSI). A Mining Community Development Fund was created by government, representing 0.75 per cent of the export value of diamonds. The money was then distributed among chiefdoms in the mining areas in proportion to the number of mining licenses in that chiefdom. The money is derived from the three per cent export tax on diamonds. By 31 December, 2001, a total of US\$195,000 had been distributed. Poor judgement, however, ensured that much of the money was mismanaged or embezzled. Government officials wanted chiefdom authorities to design specific projects before the monies were disbursed, but NGOs and MSI, apprehensive about state corruption,

insisted that the monies be disbursed to chiefs immediately. Most of the chiefs, however, displaced by the war, had little attachment to their people. Few used the money for the benefit of their chiefdoms; I was told of only one, Lower Bambara, in Panguma District, which used the money well—to build a community centre, with administrative offices.<sup>30</sup>

In Kono, where dislocation was total and where most chiefs have little standing among people returning from refugee camps, much greater care in planning and monitoring is essential. To make matters worse, since the disarmament, there has been a huge influx of Lebanese diamond dealers into the district, ready to return to the old ways.<sup>31</sup> Into this situation has stepped a radical new group called the Movement of Concerned Kono Youths (MOCKY). Appalled by the apathy and destruction that the district has suffered over the years, MOCKY wants all foreigners, especially Lebanese, out of the district. MOCKY's activities, however, have sometimes verged on the criminal. Early in 2002, they abducted a Lebanese trader who claimed to be a medical doctor, Shaway Bazy, and held him hostage for a few days. Bazy was released after allegedly paying a ransom of US\$1,700.<sup>32</sup> As part of a more creative approach, MSI and USAID have proposed the 'Kono Peace Diamond Project,' which aims to bring together NGOs, community leaders in Kono and government into an alliance to ensure fair labour practices, fair diamond prices, training in diamond mining and valuation for Kono residents, a trust fund for development, and a micro-finance project.<sup>33</sup> This will be an interesting experiment if funding is found, although it will need to be well co-ordinated with the Ministry of Mineral Resources and other governmental agencies if it is to succeed. There is an instinctive tendency among NGOs and foreign aid agencies to look askance at anything that has to do with government officials, regarding all of them as corrupt. This often leads to conflict, obstruction, and then failure.

## The Diamond Certification System

A Diamond Certification regime was instituted in Sierra Leone in September 2000, four months after the UN Security Council passed Resolution 1306, placing a ban on Sierra Leone diamond exports until a such a system could be developed. It was part of the international campaign against conflict diamonds, meant primarily to deny the RUF a market, and it was complemented by a ban on Liberian diamond exports several months later. The certification system was created with the assistance of the Belgian Diamond High Council, which had been criticized in the PAC report, *The Heart of the Matter*, for ignoring the problem of conflict diamonds. In addition to a Sierra Leonean diamond valuator, an independent valuator was also appointed.

Official exports of Sierra Leone's diamonds increased dramatically. In 1999, Sierra Leone officially exported only US \$1.3 million worth of diamonds; in the 12 months after the certification system was introduced (between October, 2000, and September, 2001), legal exports jumped to US\$25.9 million (representing 210,675 carats). Exports for the year 2001 (January to December) totaled 222,500 carats, valued at US\$26 million. This figure represented a monthly average export of US\$2.17 million, extraordinarily high compared to the years before the system was introduced. It is still below the country's potential, however. A Lebanese diamond dealer in Bo told me that in 1999, when security was uncertain—and when mining activities were therefore low—the diamond turnover in Bo alone could have been as much as US\$4 million a month, and that this may have increased considerably since 2000.<sup>34</sup> Belgian statistics on the import of Sierra Leonean diamonds are interesting in this regard. In 2001, imports averaged \$2.2 million a month. A year later, in January, 2002, the volume had fallen to \$1.4 million; in February and March it was around \$1.6 million. The imports averaged \$90 dollars a carat, considerably lower than the normal average for Sierra Leone, which is at least \$150 per carat, and often more than \$200 per carat. These figures suggests that better quality diamonds are not going through the official certification system.

## The Kimberley Process

The 'Kimberley Process' was initiated by the Government of South Africa in May 2000, in an effort to grapple with the problem of conflict diamonds. Concerned about how diamond-fueled wars in Angola, Sierra Leone and the Democratic Republic of the Congo might affect the legitimate trade in other producing countries, more than 35 countries have been meeting on a regular basis to develop an international certification system for rough diamonds. In March 2002, agreement was reached on the principles and many of the details in a system that was expected to begin in January 2003.

Provisions for regular independent monitoring of national control mechanisms were not, however, agreed, and remain an item of serious contention for NGOs concerned about the system's credibility and effectiveness. NGOs, including Partnership Africa Canada, the Network Movement for Justice and Development and the International Peace Information Service, have participated in the process, along with representatives of the diamond industry.

Sierra Leone government officials put much of the blame for the still-low export figures on smuggling, the bane of the industry since it began. 'We hope,' says Lawrence Ndola-Myers, GGDO General Manager, 'that when the certification system becomes globalized, there will be a corresponding increase in exports, as smuggling will be reduced to a minimum.'<sup>35</sup> With no certificates in most neighbouring countries, diamonds can be smuggled across the border and passed off as Ivoirian, Gambian, Ghanaian or almost anything else. Officials, including the police, believe that as much as 60 per cent of Sierra Leone's diamonds are still smuggled out of the country, mainly to Guinea and the Gambia. The Gambia exports a considerable amount of diamonds each year, but produces none. There are also widespread allegations that diamonds are smuggled out of Sierra Leone in diplomatic bags. But why, with

a tax of only three per cent on legal exports, would anyone bother to smuggle at all?

There are several reasons. The most obvious is that the risk of getting caught is very low, and three percent of ten or twenty million dollars is a lot of money. Contrary to popular belief, the rough diamond trade works on small margins. A margin of one per cent on a quickly turned parcel is not uncommon, so if taxes can be avoided, they will be. A second reason for bypassing the official export route might be avoidance of additional 'taxes' that could be required in the form of bribes. Mines Monitors and security people at the airport are badly paid, and some have undoubtedly been corrupted.<sup>36</sup> The 1994 Mines and Minerals Act stipulated that anyone informing on a diamond smuggler would get 40 per cent of the value of the diamonds if the smuggler was caught, but this provision is not well known. And there are mixed signals from high places. The chief security officer at Freetown's Lungi Airport is said to be a cousin of former Vice President Albert Joe Demby, who was involved in mining activities, and was close to many Lebanese diamond dealers.<sup>37</sup>

Some government regulations have not helped matters. The Governor of the Bank of Sierra Leone, Sampha Koroma, whose signature is among three others necessary to validate certified diamonds for export, added a clause into the system requiring exporters to bring the dollar value of the diamonds they export back into the banking system. Since many exporters, especially the Lebanese, are also involved in other business, and often used the hard currency from diamond sales to pay for commodities they import, the system simply creates an incentive for smuggling. It is alleged that Koroma's motives were commercial: he is said to be involved with NAMINCO, a diamond exporting firm, and therefore has a motive to discourage other exporters and to withhold his signature on the export certificates of competitors.<sup>38</sup> Finally, diamonds provide a ready alternative to cash, a means of laundering black money, drug money, or money that individuals and organizations might want to hide for other reasons, as will be seen below.

# The Lebanese Connection

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Lebanese immigrants began arriving in West Africa as refugees fleeing the hardship caused by a silk-worm crisis which struck Lebanon in the middle of the 19<sup>th</sup> century, a calamity exacerbated by the chaos of a collapsing Ottoman empire, of which Lebanon was a part. Among the earliest and most significant recipients of Lebanese immigrants were Senegal and Sierra Leone, then under European colonial rule. Contrary to popular views in the region, the Lebanese community in West Africa is not homogenous. The first Lebanese arrived in Sierra Leone in 1893, and by 1901, there were some 41 in Freetown, all of them Maronite Christians who had fled either the poor economic conditions or the tyranny of the collapsing Turkish authority.<sup>39</sup> The Maronite Christians were soon overtaken by Shi'ite Muslims, who began to arrive in 1903 as a result of poor agricultural yields and population pressure in South Lebanon. In Côte d'Ivoire, the immigrants were predominantly of the Shi'ite sect, all of them impoverished and uneducated peasants, quite unlike the romantic image of the urbane Levantine merchant that prevails in some quarters. The first Lebanese did not arrive in Côte d'Ivoire until 1920, but that country today is home to the largest Lebanese community in West Africa, approximately 100,000.

As British control tightened over the interior of Sierra Leone at the beginning of the 20<sup>th</sup> century, the authorities began to look for ways to marginalize the Krios—anglicized descendants of returned slaves, living mainly in the Freetown peninsula. The Krios had been the first to penetrate the interior, mainly for the commodity trade, then the mainstay of the colonial economy. The British, however, suspected the Krio of disloyalty and too much independence for a colonial people. Krio success in business, in the professions, and in other elitist endeavours concerned British colonial administrators, fearful that such achievements would ultimately work against the broader colonial cause in West Africa. The Krios had been their middlemen in trade relations with the interior,

largely because the British themselves were not disposed to living very far away from the comforts of Freetown. With the arrival of impoverished and desperate Lebanese, however, the colonial government saw a means of displacing the Krios and promoting a new group of middlemen who would pose no political threat to British hegemony in the region.

Loans and other incentives were provided to the Lebanese, and they were encouraged to move into the interior. The construction of feeder roads and the introduction of lorries greatly helped the process. Soon, the Lebanese were major proprietors in the transportation business, and as a result, they quickly came to dominate the produce trade. By the outbreak of World War I, the Lebanese had also become successful in the retail trades of Freetown. Their success created widespread hostility among the local population, not least because the Lebanese were suspected of hoarding and smuggling goods in order to artificially increase prices. In 1919, following a widespread rice scarcity, riots broke out in Freetown, directed mainly against Lebanese merchants. Shops were broken into by mobs, and hoarded rice was sold at vastly reduced prices. Even the British, longtime patrons of the Lebanese, were sufficiently concerned about the hoarding that they deported two Lebanese rice dealers for causing the scarcity.<sup>40</sup>

Today, the image of the Lebanese in West Africa as exploitative and unscrupulous is so widespread that it has become a stereotype. Didier Bigo, who has written a very sympathetic account of the Lebanese in Côte d'Ivoire, has highlighted some of the local perceptions there. Once seen as 'the indispensable middlemen between town and country, whether in the trading of crops such as coffee and cocoa or of retail goods,' Bigo writes, the Lebanese in the 1980s were now seen as 'racist...corruptors of others as well as being themselves corrupt, they act as a fifth column working towards the disintegration of the state...and to 'palestinize' or 'lebanize' the Ivory Coast by securing a hold on the key posts of the economy.'

Their activities, Ivoirians feared, would turn the country into a 'haven of anti-western lackeys of Hizbollah (*sic*).' Bigo writes that this perception is nothing short of 'full-blown paranoia,' but he gives credence to allegations of drug trafficking by Lebanese through Abidjan in the 1980s as a means of 'financing the fighting militias in Lebanon'. And he gives credence to the 'hypothesis ... of a Lebanese jihad network which... has taken advantage of conditions in the Ivory Coast and of the structure of the [Lebanese] diaspora to enable the passage through Abidjan of members of the organization who have relatives there.'<sup>41</sup>

In Sierra Leone, where the economy has been dominated by the diamond industry, diamonds have, since the 1950s, been the linchpin of Lebanese business and a range of subterranean political activities. Diamonds were discovered in Kono District, in eastern Sierra Leone in 1930, and that same year, as word of the discovery spread, the first Lebanese trader arrived in Kono and set up a shop, ahead of colonial officials who did not establish a district office there until two years later. They were also ahead of the British-owned Sierra Leone Selection Trust (SLST), which was granted exclusive diamond mining and prospecting rights for the entire country in 1935. From that time until 1956, when an Alluvial Diamond Mining Scheme was enacted, it was illegal for anyone not working for SLST to deal in any way with diamonds.

In fact, however, illicit mining activities were rampant, with many Lebanese subsequently settling in Kono and funding Africans to mine and sell their finds to them. During the 1940s and 1950s, many Lebanese traders were arrested and deported for trading illicitly in diamonds.<sup>42</sup>

Illicit diamond mining and smuggling increased dramatically in the 1950s. Most of the diamonds were smuggled to Liberia where they were easily sold for US dollars. During the 1950s, it was estimated that 20 per cent of all diamonds reaching the world's diamond markets were smuggled from Sierra Leone, largely through Liberia, and mainly by Lebanese and Madingo traders.<sup>43</sup> Liberia's Lebanese community grew in proportion to this smuggling activity, and some of the Lebanese families which settled there had relatives in Sierra Leone. One example is the Basmās, a Shi'ite family which had become one of the five key Lebanese family groupings in Sierra Leone by the 1970s, and which remains so to this day.<sup>44</sup> The Basmā family in Sierra Leone, headed by Kassim Basmā, one of the country's most prominent diamond traders, has been involved in the diamond business since the 1950s. Their counterparts in Liberia are also diamond traders.

The Alluvial Diamond Mining Scheme of 1956 was enacted as a result of the great diamond rush of the early 1950s, which created near-chaos in the diamond



*One of Kenema's many diamond dealers.*

mining districts. Under the new scheme, licenses were granted to private individuals, including Lebanese traders, and by March 1956, 32 Lebanese had been granted dealer licenses. This legalized Lebanese participation in the diamond trade, but smuggling to Liberia continued, forcing the government to amend the Alluvial Diamond Mining Act. Non-Sierra Leonean dealers were now required to deposit £3,000 pounds, which would be forfeited if the dealer was caught in illegal activities. This did not stop Lebanese mining and smuggling, however, which was far too profitable to be checked by such a small fine.

In the 1950s and 1960s, three Lebanese figures gained notoriety—Fred Kamil, Henneh Shamel and Jamil Sahid Mohamed. Fred Kamil was a Lebanese trader based in Liberia who operated a bandit group, based on the Sierra Leone-Liberian border, to hunt down diamond smugglers and steal their goods. Kamil has claimed in his memoirs that he started his operations after a diamond smuggler, passing through Liberia from Sierra Leone, cheated him of his savings.<sup>45</sup> His gang of toughs, recruited from the mean streets of Monrovia, started a small-scale guerrilla war, attracting the attention of Sir Percy Sillitoe, who had been hired by De Beers to organize an intelligence operation that would curb diamond smuggling. Sillitoe, a former Director-General of MI5, offered Kamil Sierra Leone government protection and information about smugglers, along with weapons, in return for which Kamil was to hand in the diamonds and receive one-third of their value in payment. For a time the operation worked well, until Kamil became overly ambitious and had a falling out with the authorities.

Henneh Shamel was a member of the Shi'ite Shamel family from South Lebanon. As early as 1936 the family had 1,100 men working for them in Sierra Leonean gold mines. Shamel became involved in diamond smuggling in the 1950s, and was a supporter of Siaka Stevens, an up-and-coming political leader. By the time Stevens became Prime Minister of the country in 1968, however, he had fallen out with Shamel, and in 1969, after armed robbers purloined \$3 million worth of diamonds at Hastings Airport, Shamel was arrested and charged with the theft. In January 1970, a judge

dropped the charges against Shamel, but Stevens had him deported anyway.

It was surmised that the theft had been organized by Stevens and his new Afro-Lebanese protégé, Jamil Sahid Mohamed. Jamil, as he was known, was born in Sierra Leone, and he had extensive contacts with many politicians. In 1971, Stevens announced the formation of the National Diamond Mining Company (NDMC) which effectively nationalized SLST. The new company took over 51 per cent of SLST's shares and SLST retained 49 per cent. The NDMC was to be run by a board of directors composed of 11 members, six nominees of the government and five of SLST, but in fact all important decisions were made by the Prime Minister. To ensure that he had a reliable front man in the new arrangement, Stevens arranged for Jamil—who in 1959 had been sentenced to six months in jail for unlawful possession of diamonds—to take over 12 per cent of the government's shares. SLST's diamond shipments dramatically declined soon after. With Stevens' active participation, Jamil's men were stealing and smuggling as much as they declared.<sup>46</sup> In 1984, SLST sold its remaining shares to the Precious Metals Mining Company (PMMC), a company controlled by Jamil, and in 1986, PMMC terminated its management of the NDMC on grounds that it was no longer viable. From a high of over two million carats in 1970, legitimate diamond exports dropped to 595,000 in 1980 and to only 48,000 carats in 1988.

Jamil Sahid Mohamed was a Shi'ite and a childhood friend of Nabih Berri, another Sierra Leone-born Lebanese. Berri went on to lead the Amal faction in Lebanon. Following the Israeli invasion of Lebanon in 1982, Amal, along with other Syrian-controlled Lebanese groups, was used by Damascus to drive US-led multinational forces out of the country, weaken the Lebanese state and force it to abrogate an agreement between Lebanon and Israel. Today the speaker of Lebanon's parliament, Nabih Berri has, according to the *Middle East Intelligence Bulletin*, distinguished himself 'as both one of the most reviled of Lebanon's militia elites (even among fellow Shi'ite Muslims) and the most loyal of Syria's Lebanese allies.'<sup>47</sup> Jamil had huge investments in the Middle East, some in conjunction

with Berri, who at one time helped him obtain a Lebanese passport.

It was largely through Berri that Iran became interested in Sierra Leone, building a large cultural center in Freetown. And in 1986, Berri's friend Jamil persuaded Sierra Leone's lackluster President Joseph Momoh to invite Palestinian leader Yasser Arafat to Freetown. In Freetown, Arafat offered several million dollars to Momoh in exchange for a training base for his PLO fighters. Momoh turned the offer down, but this was merely a tactical move, for he allowed Jamil to have a well-armed 500-man 'personal security force', many of them Palestinians.<sup>48</sup> At the time, Jamil, who held no official government post, acted as a kind of super-President, occasionally vetoing ministerial appointments, even reversing ministerial decisions, and routinely violating government foreign exchange and banking regulations.<sup>49</sup> Sierra Leone had become a classic banana republic, although some analysts prefer the term 'soft state', an expression that makes more sense than the more dramatic but value-laden term 'failed state'.<sup>50</sup>

The Lebanese in West Africa, even those born there, remained and continue to remain intensely aware of events in Lebanon. The more successful have property and other investments in the Middle East. This is a source of mistrust throughout the region, for many have never fully integrated into the countries in which they live. Some of the wealthiest businessmen in the Middle East are Lebanese who made their money in West Africa; in Lebanon they are referred to as 'Africans'.<sup>51</sup> Their loyalty, however, remains with the Middle East, and many have made regular contributions to factions in that region's never-ending conflicts. In Côte d'Ivoire in the 1980s and 1990s (as in Sierra Leone and Liberia) individual Lebanese were required to fund the war in Lebanon, and 'as in Beirut itself, the youngest members of the community are recruited to collect these dues while immigrants are continuously having the good fortune of their immunity from the war impressed on them, and their moral obligation to make at least a financial contribution to national liberation or to the new Lebanon,' according to Bigo. This pressure 'on occasion develops into an outright racket, as when organized gangs attack commercial

premises' belonging to unenthusiastic Lebanese. Many of the factions in the Lebanese civil wars, including the Christian Phalange, the Druze militia, Hezbollah and Amal, working within the various Lebanese communities, were implicated in these activities, but Amal was by far the strongest. In the late 1980s, Lebanon even appointed a non-French speaking former leader of the Amal youth section in Côte d'Ivoire as ambassador to the country.<sup>52</sup>

## West African Lebanese & Global Terror

In an article that caused a stir in foreign policy and academic circles, Robert Cooper, a leading foreign policy advisor to British Prime Minister Tony Blair, wrote about the dangers to the Western world of what he called the 'pre-modern world of failed states.' In Cooper's view,

The pre-modern world is a world of failed states which have lost legitimacy for, or monopoly over the use of force; often both. Examples of total collapse are relatively rare, but the number of countries at risk grows all the time. Some areas of the former Soviet Union are candidates, including Chechnya. All the world's major drug producing countries are part of the pre-modern world. Until recently there was no sovereign authority in Afghanistan; nor is there in up-country Burma or in parts of South America, where drug barons threaten the state's monopoly on force. All over Africa countries are at risk. In such areas chaos is the norm and war is a way of life.<sup>53</sup>

The threat, according to Cooper, is not really from these states but from the fact that they 'can provide a base for non-state actors who may represent a danger to the post-modern world' (which is to say, to Western societies). Cooper, of course, was fixing on Afghanistan, which had provided a base for sponsors of the September 11 terrorists. This is why his emphasis is on 'drug producing countries', because Afghanistan is a major producer of opium and other drugs which generate huge volumes of untraceable cash. But other high-value export commodities produced in weak and

poor states, like diamonds, also fit within this trajectory. Where Sierra Leone is concerned, this became a major issue in November, 2001, after the *Washington Post* carried a story linking al Qaeda operatives, using mainly Lebanese diamond traders in West Africa and elsewhere, to the Revolutionary United Front and its illicit diamond operations.

The article, which received widespread attention, deserves to be quoted at some length. Written by longtime war correspondent Douglas Farah, it stated that the al Qaeda network ‘reaped millions of dollars in the past three years from the illicit sale of diamonds mined by [RUF] rebels in Sierra Leone,’ and that one of the RUF’s senior officials, Ibrahim Bah, who had Senegalese and Burkina Faso origins, acted as ‘a conduit between senior RUF commanders and the buyers from both al Qaeda and Hezbollah, a Shi’ite Muslim organization linked to Lebanese activists who have kidnaped numerous Americans, hijacked airplanes and carried out bomb attacks on US installations in Beirut.’ The West African Shi’ite Lebanese community has strong sympathies with Hezbollah, an organization that is ‘active in all these countries and are deeply involved in many businesses across the [West African] region.’ Three senior al Qaeda officials—Abdullah Ahmed Abdullah (described on an FBI poster as a ‘top bin Laden adviser’ and one who had ‘helped a number of Al Qaeda attacks’), Ahmed Khalfan Ghailani and Fazul Abdullah Mohamed, both also on the FBI ‘most wanted’ list—paid visits, arranged by Bah, to RUF-held areas of Sierra Leone at different times in 1998 and later. Interviews, mainly of ex-RUF combatants, conducted in Sierra Leone in April 2002 for this report, confirmed the visits, late in 1998, of three Middle Eastern men (described by the informants simply as ‘Lebanese’) to the RUF’s then commander, Sam Bockarie, and Ibrahim Bah.

Abdullah and the others are said to have received diamonds in exchange for cash from the RUF’s Sam Bockarie. Bah was said to be connected to al Qaeda through two Lebanese diamond dealers with longstanding business and other interests in West Africa and the Congo, Aziz Nassour and Samih Ossailly, the latter based in Belgium. Said to be cousins, they had family and business ties in both Liberia and Sierra Leone.<sup>54</sup>

Interestingly, three months before the September 11 terrorist incidents in the United States, and five months before the *Washington Post* article appeared, the names of both Ossailly and Nassour were placed on a travel ban announced by the Security Council. The names were supplied by a member of the Security Council. The ban affected senior Liberian government officials and ‘other individuals providing financial and military support to armed rebel groups in countries neighbouring Liberia, in particular the RUF in Sierra Leone.’<sup>55</sup>

Ossailly first appeared in Sierra Leone in 1997, after a bloody coup brought Major Johnny Paul Koroma to power together with the RUF. He was introduced to the new junta by a Freetown-based Lebanese diamond dealer named Darwish. Ossailly, with Nassour, was already the major buyer of RUF diamonds in Liberia. Ossailly supplied four containers of army uniforms and other military hardware to the Koroma junta, apparently in exchange for diamonds.<sup>56</sup> And from the Liberian end, he and Nassour supplied the RUF with weapons, medical supplies and mining equipment.

After the junta was unseated by Nigerian troops in February 1998, Ossailly—based in Monrovia—maintained contact with Sam Bockarie, who took over effective command of the scattered RUF and AFRC forces as they regrouped in the diamond areas of eastern Sierra Leone. The embattled RUF was desperate for cash and other support, and late in 1998 Ossailly’s agents met Bockarie in Kailahun District and are said to have given him an initial \$100,000. Bockarie later handed over a large parcel of diamonds, apparently seized from his erstwhile ally, former AFRC leader Johnny Paul Koroma, who had lost interest in the ‘struggle’.<sup>57</sup> More support from the Ossailly group, mainly through Liberia, was to follow. The replenished RUF attacked and took over Kono District in December 1998. With the capture of this premiere diamond district, Ossailly’s gamble paid off... for a while.

In December 2001, Aziz Nassour’s brother, Khalil, was reported to have been implicated in a massive Dfl 180 million (US\$90 million) diamond fraud at the Sarphatistraat branch of the ABN AMRO Bank in Amsterdam’s diamond-district.<sup>58</sup> Samih Ossailly (also known as Samir Hussein, according to the UN Security Council) was arrested in June 2002 by Belgian authorities

and detained for weapons-related offences. Investigators have now confirmed, however, that Ossaily and Aziz Nassour were engaged in massive diamond-related financial transactions in 2001 between Antwerp and Monrovia, using the services of the Artesia Bank in Antwerp.

As for Bah, he represents a curious combination of fanaticism and opportunism. Nine months before September 11, 2001, the UN Expert Panel on Sierra Leone noted his involvement:

The name 'Ibrahim Bah' arises frequently in the RUF diamond story. He is said to be a Burkinabe military officer. He is also known as Ibrahim Baldé, and Baldé Ibrahima. He was a key player in the RUF-AFRC axis, and has been instrumental in the movement of RUF diamonds from Sierra Leone into Liberia and from there to Burkina Faso.<sup>59</sup>

A devout Muslim and self-styled peripatetic revolutionary, Bah trained in Libya and fought with Hezbollah in Lebanon. He is also reported to have spent three years in Afghanistan with the Taliban. He was involved in an ill-fated coup attempt in 1981 against the Gambia's President Dauda Jawara. The operation was led by Kukoi Samba Samyang, who trained in Libya with Bah. Bah also fought with Charles Taylor in Liberia, and later with the RUF. Among the RUF, for whom he became a tactical commander, he was known as 'General', with good connections to Taylor and President Campaore of Burkina Faso. He was also the RUF's main diamond agent, allegedly making millions of dollars in the process. After the *Washington Post* story, Bah, who now claimed to be a car salesman in Burkina Faso, was quietly 'made available' to American investigators by Burkina Faso's President Campaore. He was questioned but no action was taken. The Americans may have concluded that they had no formal case against him, but it is thought that Bah is a 'strong candidate' for the UN-sponsored Special Court to try war criminals in Sierra Leone. At the time of writing, Bah remained in Burkina Faso, and Ossaily's case was before the Belgian courts. Aziz Nassour, said to be much more deeply involved than Ossaily in weapons, money laundering and other criminal activities, was reportedly in Beirut.

According to the *Washington Post*, 'Investigators in the United States and Europe are still trying to determine how much money al Qaeda derived from its dealings with the Revolutionary United Front...but they estimated the amount to be in the millions.'<sup>60</sup>

Of broader interest is a related article in the same edition of the *Washington Post*, by the same writer, titled 'An "Axis" Connected to Gaddafi: Leaders Trained in Libya Have Used War to Safeguard Wealth.' The article discussed how Libya had provided training for various dissidents, terrorists and other militants wanting to cause trouble in their home countries, especially in Africa, as part of Gaddafi's so-called Pan African Policy and his various Islamic alliances. According to the writer, the alliances formed during these 'revolutionary training' sessions 'still shape the politics and wars of West Africa, and there are indications that, despite its public disavowals, Libya is in the thick of regional tensions fomented by the alumni of its training camps.'<sup>61</sup> This is well documented elsewhere. In the 1980s, Gaddafi actively recruited adventurers, rogue revolutionaries and dissidents from across Africa and trained them at his World Revolutionary Headquarters in the desert town of Benghazi. Gaddafi sent 600 troops to defend the homicidal tyrant, Idi Amin, in the dying days of his control over Uganda. Gaddafi provided training and other support for the Gambia's Kukoi Samba Samyang, who led the coup attempt against Dauda Jawara. And Blaise Campaore developed Libyan connections as well, before murdering the President of Burkina Faso and taking the job for himself. Both Charles Taylor and Foday Sankoh trained in Libya and were actively supported by Gaddafi, as were Ibrahim Bah and, from further south, Laurent Desiré Kabila. Indeed, in the 1980s, the Libyan World Revolutionary Headquarters became, in the words of historian Stephen Ellis, 'the Harvard and Yale of a whole generation of African revolutionaries.'<sup>62</sup>

Among the qualities fostered in the Libyan camps was an intense anti-Americanism, and some of the Sierra Leoneans who trained at Benghazi with Sankoh schemed after the 1986 American bombing of Libya to blow up the American Embassy in Freetown, with support from the Libyan Peoples' Bureau in Accra.<sup>63</sup>

The plot was not carried out, but the fact that it was considered at all gives credence to more recent concerns about al Qaeda finding allies in new and unlikely places. According to the *New York Times*, the American-led war against al Qaeda has led to a disruption of the terrorist organization's central command and the taking over of operations by 'a group of mid-level operatives' who are 'working with Middle Eastern extremists across the Islamic world.' The 'war on terror' has merely led to a dispersal of 'potential attackers' across 'a wider geographical area,' including Africa and Southeast Asia. Indeed, al Qaeda itself was 'always something of a hybrid that staged not only highly structured, top-down attacks but also relied on affiliated—or like-minded—militant groups that contracted and financed their own schemes, with al Qaeda's blessings, to strike at American targets.'<sup>64</sup>

States exercising little authority within their own borders could provide a safe haven for such highly toxic organizations. Unstable and impoverished countries in West Africa, with Libyan-sponsored regimes like that of Charles Taylor's Liberia, and with many rich and powerful Lebanese, some of them with links to groups like the Hezbollah, cannot be immune. There is a host of additional anecdotal evidence crying out for serious attention. In September 2001, for example, shortly after the attacks on New York and Washington, three Afghans flew from Sierra Leone's Lungi Airport directly to London, England, using false documents. Sierra Leone's notoriously inept airport security officials did not bother to examine them. The three Afghans were arrested at Gatwick airport in London, and detained. It may have been little more than a simple case of human smuggling, but the long and circuitous route is suspicious. In a confidential memo prepared for Sierra Leone's national security officials, the incident was subsequently treated as both important and highly disturbing.<sup>65</sup>

## 'Bazaar' Trading, Corruption & Violence

Much of the evidence linking West Africa's Lebanese diaspora to global terror networks is anecdotal and circumstantial. Lebanese involvement with the RUF

is also largely anecdotal, but in both cases the stories are supported by generations of shady business practice, and by the strong interest of some Lebanese in the virulent politics of the Middle East.

By the time Sierra Leone's war broke out in 1991, the country's then President, Joseph Momoh, had begun to shift away from Lebanese businessmen, towards Israelis. This was encouraged by Israel, which was eager to cut off Lebanese funding for anti-Israeli armed factions in the Middle East. It turned out, however, that Momoh's new Israeli friends, among them Shaptai Kalmanovitch (of the LIAT Company), and later Nir Guaz (of the SCIPA group), were crooked, with ties to organized crime syndicates. SCIPA, which lasted longer than LIAT, was suspected of financing illegal as well as legal diamond exports, but the Israelis were generally viewed more favourably than the Lebanese. They paid far better prices to miners for their finds, and they imported rice and machinery which they sold at affordable prices. The Lebanese, many of whom were, or claimed to be Sierra Leonean by birth, did the opposite, paying below-market prices for gems and hoarding consumer commodities to drive up prices. Indeed, so popular did SCIPA become, that some Lebanese schemed with corrupt police officials to have the company driven out of the country. SCIPA's boss, Nir Gouaz, was arrested on fake currency-related charges, detained and then deported. The Lebanese mogul, Jamil, had by then gone into self-exile in the UK, after a foiled coup plot that involved some of his close friends in government, but the plot against SCIPA was contrived by his close associates in Freetown.

Lebanese diamond dealers are quick to contain outsiders venturing into what they consider their turf, especially Western investors who appear on the scene with more money, and with an unfashionable determination to do business in a formal way. A recent example occurred in Bo. Martin Rapaport, an outspoken American diamond dealer, appalled by the devastation in Sierra Leone and the conflict diamond connection, proposed to do something about what he called 'beneficiation'. He believed that much of the smuggling was due to poor returns from diamond mining to producing communities and miners. Rapaport believed that if miners and local communities could be paid as

close to world prices for their diamonds as possible, and if the system and pricing were transparent, diamonds would be attracted into the formal, legal export system, instead of traditional byzantine smuggling routes.

He started a pilot scheme in Bo District in consultation with local NGOs, organizing groups of miners in October, 2000. The groups were deployed in five mining areas. Rapaport provided food, basic mining equipment and \$5,000 monthly for the purchase of gems and to pay for incidentals. The first pilot ran for a month. Rapaport's expenses were to be taken out of the sale of the diamond finds; the United Mine Workers Union was to get two per cent of what was left; the rest was to be shared between the miners, Rapaport and local communities.<sup>66</sup> There were problems of return: most of the more productive diamond mining areas were still under RUF control, and diamonds finds for the first two months did not cover the expenses. But that did not entirely discourage Rapaport; better times were still possible. The real problem came

from Lebanese diamond dealers in Bo. They resented an interloper paying better prices, especially one concerned about the welfare of miners and local communities. Rapaport's resident agent, perhaps too quick to talk about corruption, suddenly found himself being harassed: his telephone lines would mysteriously stop working, money was extorted by police, and finally he was charged by a Mines Monitoring Officer with mis-reporting 13 carats of undeclared gems.<sup>67</sup> A furour ensued, involving the American Ambassador and the President of the country. After this 13 carat fiasco, the Rapaport scheme folded. Agents of another American company in Kenema, Stanton Minerals Inc., have been facing similar problems of Lebanese scheming with local authorities, including the police, to harass them.<sup>68</sup>

Price fixing is notorious among Lebanese traders in Sierra Leone, and it is one of the reasons why they resent other competitors in the business. Lebanese traders, in spite of their religious diversity, operate a bazaar-type trade, exchanging notes and agreeing in general on the

## The Momoh Pujeh Case

In November, 2001, the Sierra Leone Police arrested and detained the then Minister of Transport and Communications, Momoh Pujeh, and his wife for the illegal possession of diamonds. The police acted at the instigation of the Anti-Corruption Commission, a statutory body set up by the Kabbah administration to curb corruption in the public services. President Kabbah immediately suspended—and subsequently sacked—Pujeh, a powerful young politician with strong support in the ruling Sierra Leone Peoples Party (SLPP). Pujeh, who was subsequently re-elected to Parliament was, at the time of writing, facing trial for violating the 1994 Mines and Minerals Act which forbids the possession of diamonds without valid dealer or mining licenses.

The Prosecution charged that Pujeh was arrested with 650 carats of diamonds, and in a court appearance in June, 2002, a Lebanese trader, Hadj Fawaz, stated that he had purchased diamonds worth Le 73 million (US\$36,500) from Pujeh in July, 2001. Pujeh's

diamond mining interests, before and after he became minister, had been widely reported in the media.

In an interview with this writer in April, 2002, President Kabbah asserted that the rule of law will take its full course, and that no interests will prevent Pujeh from having a fair hearing. The President's comments were made amidst two contradictory claims: one, that Pujeh's arrest was politically motivated, because his loyalty to Kabbah in the run-up to the last elections had allegedly become suspect; and two, that Kabbah needed Pujeh's support during the elections, and was therefore anxious to get him off the hook. Critics claim that Pujeh should have been charged under the Anti-Corruption Act, which provides for stiffer penalties, rather than the Mines and Minerals Act, which provides for only fines and confiscation of the diamonds found on the culprit. Whatever the case, the prosecution of such a high-profile politician sends a signal of the government's intention to deal with cases of corruption in a serious way.

prices to be paid for gems. Once a diamond has been submitted to a Lebanese trader and he declares a price for it, the miner is unlikely to find a better price for that diamond anywhere in town: if a bargain is not struck, the Lebanese, who dominate the business, will phone other Lebanese dealers and tell them to offer an even lower price for that particular gem.<sup>69</sup>

Lebanese dealers are able to manipulate the system in Sierra Leone so effectively because they have become well-entrenched, with a large number marrying women from powerful Sierra Leonean families.<sup>70</sup> Some prominent Lebanese, like Jamil, were the product of such marriages: his mother was from a prominent Temne family. Some Lebanese argue, however, that they are ambivalent about their Sierra Leonean citizenship because Sierra Leonean law qualifies it: only people whose father or grandfather was born in Sierra Leone *and* who is a 'person of Negro African descent' can be elected to public office in Sierra Leone—a constitutional issue that created much controversy when it was introduced shortly after independence.<sup>71</sup>

Where Sierra Leone's war is concerned, the evidence of Lebanese involvement is stronger, but here, too (as in the case of the al Qaeda links), a limited number of individuals have been involved. During the early stages of the war, there were reports that some of Jamil's Lebanese contacts in Côte d'Ivoire were doing business with the RUF, who would take their goods to Ivorian border towns and sell them to Lebanese traders. A UN report later found that in 1997 the RUF's Sam Bockarie had appointed a Lebanese, Mohamed Hedjazi, as an agent to negotiate with any companies for prospecting licenses or anything to do with mining and buying of diamonds. This was just after the AFRC coup, and Hedjazi, who was in Freetown at the time, became the official face of the AFRC's diamond business; Ossailly was the real factor, however, operating in the shadows. The same report discussed Lebanese connections in President Charles Taylor's sanctions busting and diamond dealings with the RUF.

A key individual is a wealthy Lebanese businessman named Talal El-Ndine. El-Ndine is the [Liberian] inner-circle's paymaster. Liberians fighting

in Sierra Leone alongside the RUF, and those bringing diamonds out of Sierra Leone are paid by him personally. Arms shippers and brokers negotiate their payments in his office in Old Road, Monrovia. El-Ndine also brings foreign businessmen and investors to Liberia, individuals who are willing to cooperate with the regime in legitimate business activities as well as in weapons and illicit diamonds.<sup>72</sup>

After the 1997 coup in Sierra Leone, which resulted in the killing of several Lebanese in Freetown, a large number joined their compatriots who had already fled to neighbouring countries—Guinea, the Gambia, Liberia and Côte d'Ivoire. At the time of the coup, there were over 30,000 Lebanese living in Sierra Leone. Almost all of them were traders, a large number engaged in the diamond trade or businesses linked to it. After the coup was reversed in 1998, some returned. Many remained in their new-found homes, however, but continued their business contacts with Sierra Leone. Significantly during these years, diamond exports from Gambia skyrocketed. Gambia, with no known diamond deposits, was recorded as the origin of \$420 million worth of diamonds into Belgium between 1996 and 1999. Some of the Belgian importing companies were directly connected to firms operated by the same Lebanese families in Sierra Leone. The same was true in Côte d'Ivoire, suddenly a major exporter, despite the dysfunctionality of its own small diamond industry.

When the two major diamond mining areas, Kono and Tongo Field, fell to the RUF, Lebanese diamond traders in these areas simply moved to Kenema, Bo and Freetown, and many were able to continue buying diamonds as usual, even though official exports had dwindled to almost nothing. A *New York Times* reporter suggested in January 2001 that RUF diamonds were probably being sold to at least 40 Lebanese-run shops in Kenema.<sup>73</sup> Of the 143 diamond buying shops in Kenema in 2002, 102 were owned by Lebanese traders; and of 100 diamond buying shops in Bo, 65 were Lebanese-owned. Curiously, only 18 dealer licenses had been issued to Lebanese traders for the entire country.

# Other Issues

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## With Friends Like These: Foreign Investment

In 2000, *The Heart of the Matter* described the dubious role of junior mining firms in Sierra Leone. 'Juniors' are small prospecting and mining companies which work on the edge of the industry, exploring for new diamond fields, generating funds on international stock markets, sometimes mining diamonds but more often than not eventually selling out to larger companies if they are successful. Many are Canada-based, and in the case of Sierra Leone, two of them, DiamondWorks and Branch Energy, had become the subject of widespread interest because of their apparent but much-denied connections during the 1990s with two major international security firms, Executive Outcomes and Sandline. Some of these juniors, which represent an important but anarchic element in the diamond trade, are now poised to return.

The most notable is DiamondWorks Ltd., a Canadian-based company with a complicated and mostly non-Canadian ownership structure. Through Branch Energy, DiamondWorks holds a 25-year renewable mining lease in Kono District, covering the main kimberlite sites. The lease, known as the Koidu Property, grants the company exclusive rights to carry out exploration and mining activities in respect of diamonds, gold and associated minerals. In 1998 when the lease was signed, the company was required to spend at least US\$340,000 on exploration during the first two years of the license, but work was badly disrupted by rebel warfare.

DiamondWorks announced in June, 2002, that the Koidu Kimberlites will require 'capital and working costs' of US \$6.2 million to achieve initial commercial production. DiamondWorks says that it has entered into an agreement with a newly formed company, Magma, under which Magma will pay DiamondWorks an initial US \$1.2 million 'to be spent exclusively on the Koidu Project and by procuring by no later than December 31, 2002, a further US \$5 million of project financing on reasonable commercial terms

in order to bring the Koidu Project to an initial commercial production.'

Many of DiamondWorks' original principals have left the company. It is now headed by Antonio 'Tony' Teixeira, who has a chequered career where African diamonds are concerned. According to government officials in the Central African Republic, Teixeira's operations there ended in confusion, with unpaid taxes and allegations of a partnership with the President of the country.<sup>74</sup> In January 2000, the British Foreign Office Minister Peter Hain used parliamentary privilege, under which he is protected from any libel action, to name several alleged UNITA sanctions busters in Angola. One of those named was Teixeira, whom Hain said had been flying in diesel fuel to the rebel army.

Another 'Canadian' junior operating in Sierra Leone during the war also earned notoriety because its principals were involved in military sales to the government in its battle against the RUF. Rex Diamond Mining Company's holdings in Sierra Leone included titles in Tongo Field and Zimmi. The Tongo Field property comprised approximately 65 square kilometers in Kenema District, and was originally granted to Rex by the Sierra Leone government in 1994. The rights were to expire in 2019. In 1999 and 2000, there were disputes about Rex's holdings in Sierra Leone. Its Belgium-based Chairman, Serge Muller, attempted to appease the government, the rebel RUF movement and his shareholders by saying, in response to a query about the company's future in Sierra Leone, "We have again received confirmation from all parties, government and RUF, the Rex leases are in good standing." Despite the controversy this aroused, in October 2002, Rex announced that a wholly-owned subsidiary, Fauvilla Ltd., would soon begin mining again on Rex's Zimmi property.

Rex Diamond Mining Corporation's net loss for the nine months ending Dec. 31, 2001 was US\$4.7 million, compared with US\$5.5 million for the previous year.

Mano River Resources has developed a presence in Sierra Leone in recent years. Mano River Resources Inc., registered in Canada, owns Mano River Resources Ltd. This company is registered in the British Virgin Islands and it is traded on the Canadian Venture Exchange and the London Alternative Investment Market. The company operates through several subsidiaries, prospecting for gold and diamonds in Sierra Leone, Guinea and Liberia. In a prospectus, the company says that ‘On the basis of its sustained relationship and long-term commitment to the people of Sierra Leone, and considerably encouraged by the results received to date, Mano will be endeavouring to discover and develop the country’s first modern hard rock diamond mine.’

Mano River Resources Inc.’s total assets at April 30, 2002 were US\$11.5 million. It posted a net loss for the first quarter of \$87,000.

## Child Labour

The Government of Sierra Leone does not have a policy or law governing child labour, and it prefers not to be bothered by the issue. Government officials argued, in interviews conducted for this report, that mining diamonds is so hazardous and difficult that children could not possibly be employed in the actual mining. Children are used, they say, mainly for ‘support services’ such as carrying tools and food for the miners. This is certainly not true. Children are deployed in almost every aspect of mining, except possibly diving for gravel in rivers and flooded pits. This is largely the result of poverty and a lack of educational opportunities; many schools were destroyed during the war, in a

situation where educational infrastructure was already severely limited.

The RUF, which itself was heavily populated with child combatants, preferred children in their illegal diamond mining because children were less likely to steal. Diamond theft was a major problem for the RUF, just as it has been for successive governments. The RUF routinely executed people—its own combatants and non-combatants—caught with undisclosed diamonds. Dozens, perhaps hundreds, of people were executed for this particular crime, which ranked next only to ‘disloyalty’ to Foday Sankoh or ‘treason’ in the RUF’s scale of serious offences.<sup>75</sup>

## Taxation

The tax on diamond exports is, at three per cent, low. This is largely because the tax is voluntary. Diamonds are extremely easy to smuggle, and without a global system of certification, stolen or smuggled gems are easy to sell in countries where taxes are lower. There has been, in a sense, a competitive international race to the bottom in terms of low taxation. Historically, throughout the diamond mining world, a tax rise has always been accompanied by increased smuggling. Controversy regarding Sierra Leone’s apparently low tax on diamond exports, however, was dramatically underscored after the sale and export of a large, 110-carat diamond in April, 2002. There were anguished discussions in the press when it was realized that the state received only US\$30,000 out of the US\$1 million for which the diamond was sold. The GGDO explained, however, that government earns more from diamond mining than the tax:

It's true that the export duty is only 3%. Many Sierra Leoneans feel this is very small and that the nation should get more from the proceeds of this very precious commodity. However, this is the normal fee set by the majority of rough diamond exporting countries. Setting the duty any higher would cause most exporters to go underground. It must also be taken into account that the country also benefits from fees such as export licenses, dealer licenses, mining licenses, and royalties for both gold and diamonds.<sup>76</sup>

In fact, some governments in diamond producing countries—notably Botswana—also participate financially in the mining and marketing of diamonds, some with stakes as high as 50 per cent. In such cases, the state benefits more.

## '419' Scams

'419' is the section of the Nigerian criminal code that deals with fraud; it is also the name given to a particular scam developed in Nigeria to defraud the credulous and the greedy. It takes the form of letters or e-mails supposedly sent by individuals like 'the son of detained RUF leader Foday Sankoh' or 'Moses Kabila'. The letter asks for details of the recipient's bank account, so that money, apparently embezzled from the state, can be transferred and a percentage shared with the recipient. But first, the recipient is asked to pay a sum to facilitate the deal. Since Sierra Leone's diamonds gained notoriety, the name 'Sankoh' has become a favorite surname for '419' letter writers. In Sierra Leone, '419' scams have taken a more direct and probably more effective form: thousands of fake diamonds have been sold to unsuspecting but greedy foreigners, many of them aid workers, casual visitors, adventurers and even diplomats. The Criminal Investigation Department keeps a collection of such fake stones as 'exhibits'.<sup>77</sup> In an effort to stop this, the government in 2002 made it legal for foreigners to purchase rough diamonds as 'souvenirs'. It was thought that by making the practice legal, better assurance of authenticity would be possible.

# Conclusions and Recommendations

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Sierra Leone's decade-long war may be officially over, but as long as fighting continues in Liberia, and as long as Liberia's warlord President, Charles Taylor, continues his destabilizing policies in the region, peace will remain shaky in Sierra Leone. UN Secretary General Kofi Annan discussed the problem in July 2002: 'The conflict in Liberia is increasingly affecting the stability of areas along the border in Sierra Leone. There is real risk that Liberia and Sierra Leone would be trapped in a vicious cycle with civil war swinging back and forth between the two countries.'<sup>78</sup> By July 2002, almost half a million Liberians had been uprooted by fighting, the largest number in four years. And in the first seven months of 2002, some 60,000 to 70,000 Liberians fled their country, including 50,000 to Sierra Leone.<sup>79</sup> Sierra Leoneans remember that the first rebel incursions into their country in 1991 began with the influx of thousands of Liberian refugees, some of whom turned out to be RUF rebels. This is of considerable concern because it has been established that many ex-RUF fighters are now fighting in both the LURD and in Taylor's forces.<sup>80</sup>

Internal security in Sierra Leone is a still largely unresolved issue, one which goes well beyond rebel warfare. The lack of security has been at the root of the corruption in Sierra Leone's diamond industry since commercial exploitation started. The government of Sierra Leone has shifted its policy slightly on this, granting large companies the right to hire armed security officials to patrol their sites. This is an admission—confirmed beyond doubt since the 1950s—that government security services, including the police and the army, are woefully unable to police mining sites effectively. Kono District was the first region beyond Freetown where the Sierra Leone Police established a presence, but even then the Sierra Leone Selection Trust needed a 500-man private security force, headed by former British military and police officers, to fight back illicit miners and smugglers. That force did not have firearms, but the 1950s and 1960s were, odd as it may sound today, a kinder and gentler time. Issues of

security, however, go well beyond the diamond issue. *Human* security is a much more comprehensive problem that is only starting to be addressed in Sierra Leone.

## Recommendations

### 1. Security and UNAMSIL

In view of the ongoing and long-term regional and internal security threats, the United Nations Security Council should extend the UNAMSIL peacekeeping mandate in Sierra Leone for the foreseeable future, although today's large force can be downsized. This is required on objective grounds, but it will also send a signal to potentially disruptive forces that the Security Council is taking a long-term view of the situation. The establishment of law, order and security is not a six month proposition in Sierra Leone. It is a five year endeavour, if not more.

### 2. Liberia

The UN arms embargo on Liberia should remain in place. The embargo on Liberian diamonds should also remain in place until the Kimberley Process international certification scheme has been established. Even then, Liberian participation must be accompanied by regular, professional, external monitoring. Liberian diamond exports in future must not exceed the country's known production capacity.

### 3. Security in the Diamond Areas

Sierra Leone's President Kabbah has stated that his government will now concentrate on agriculture rather than diamond mining 'which has caused so much devastation in this country'.<sup>81</sup> The reality, however, is that Sierra Leone will rely on its extractive sector, especially diamond mining, for its foreign exchange earnings for the time being. And regardless of government policies, the external demand for high quality gem diamonds like those found in Sierra Leone, will continue. It is therefore important and a matter of urgency to ensure that the diamond industry is made

secure. Individual security operations managed by each mining firm, however, will be costly and inefficient. They could also become anarchic and lead to human rights abuse.

It would be unrealistic—and undesirable—to expect the UN to provide protection for foreign commercial firms. The use of Sierra Leone government forces, which are already overstretched,<sup>82</sup> would also be undesirable. Historically, diamonds have been the primary corruptor of law enforcement and military personnel, and this is the last thing post-war Sierra Leone can afford.

An integrated private security force, armed and well equipped, should be established to provide security to all mining operations in Sierra Leone. The force should have a clear and transparent mandate, with joint oversight provided by the Sierra Leone government and the UN for at least 10 years. While the primary emphasis would be on the diamond areas, the cost should be pro-rated across all mining operations. Insecurity in the diamond areas affects all mining operations.

#### 4. The Lebanese Community

Corruption among diamond traders, especially Lebanese diamond traders, needs to be curbed dramatically. The Lebanese community itself should make a strong effort at self-reform. Many people of Lebanese extraction were born in the country and a large number are third or fourth generation Sierra Leoneans. They have much to lose if things do not change. The highly respected President of the Lebanese community in Sierra Leone has often called on the Lebanese to contribute more towards nation-building in Sierra Leone. He should speak out more often against corruption. A mechanism of ‘naming and shaming’ should be introduced, aimed at isolation and/or prosecution.

No Lebanese should possess diplomatic passports unless they are accredited diplomats. The immigration department and passport offices should be more carefully monitored. The government recently introduced a computerized passport system, which was intended to make Sierra Leone passports tamper-proof. In fact, however, the old habit of buying passports under the

table continues. Sometimes passports applicants need not even show up for interviews. These practices must stop. In addition, all Lebanese holding other countries’ passports should have their Sierra Leonean passports withdrawn—Sierra Leone does not accept dual citizenship.

#### 5. The Anti Corruption Unit

An Anti-Corruption Unit was established by the government in 2000. It has undertaken some landmark prosecutions and demonstrates a commendable commitment to clean government. It should create a special diamond investigation unit, with the aim of rooting out some of the more egregious examples of corruption in the diamond trade.

#### 6. Education, Public Awareness and Training

People who live and work in the diamond areas need to know more about the economics of diamonds if they are to get fair prices and see value added in their communities. Current and future development programs in the diamond areas should include training in alluvial mining and diamond valuation for legitimate diggers. Public information programs will help communities to understand their rights and obligations where diamonds are concerned.

#### 7. The Kimberley Process

When the Kimberley Process certification system comes into full effect in 2003, all participating countries, including Sierra Leone, will be required to meet the minimum standards that have been established. These include a means of verifying and tracking all diamond transactions in the country. An internal auditing mechanism, using an independent, international firm, should be set in place. Its function will be to conduct random audits of the books of all diamond dealers and exporters. The aim will be to ensure that all diamond transactions can be tracked both up and downstream, that diamonds are bought only from registered miners, and that all diamonds bought are exported through the legal channel.

## 8. Foreign Investment

The private sector and donor governments repeatedly emphasize the importance of foreign investment to the long-term development of Africa. The Government of Sierra Leone welcomes foreign investors. Unfortunately, however, the problems of the past, and those that remain, act as a disincentive for large reputable mining firms. Bilateral donor agencies should work with the Government of Sierra Leone to devise ways in which dependable and meaningful long-term investment can be attracted to Sierra Leone. Clarity, consistency and probity in the application of laws, regulations, taxation and banking arrangements will be essential to this.

The international community and Sierra Leoneans themselves have invested heavily to ensure that peace finally prevails in this troubled country. There is a real opportunity now for this to occur, and the opportunity should not be squandered. Peace, as the old axiom goes, is not just the absence of fighting. Peace, like democracy, is a positive attribute. It entails justice, economic improvement, and the opportunity to better oneself in an atmosphere of fairness, openness and freedom. These are only possible, in any measure that really counts, in the context of genuine economic development. In Sierra Leone this will depend, at least for the short run, on proper management of its extractive sector, in which diamonds will continue to play a prominent role.



photo: Lansana Gberie

*Illicit diamond digging in Kono District.*

# Notes

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- <sup>1</sup> 'Kabbah on Diamond War,' *New Vision* (Freetown) 27 September, 2001, quoting from the President's convocation speech at the Southern Connecticut State University, after the University conferred on him an honorary doctorate in 2001
- <sup>2</sup> Paul Collier, 'Economic Causes of Civil Conflict and Their Implications for Policy', a World Bank report, available at <http://www.worldbank.org/research/conflict/papers/civilconflict.htm>
- <sup>3</sup> The final NCDDR tally was, in fact, 70,000, although the figures have been inflated by somewhat dubious 'ex-combatants'.
- <sup>4</sup> Robin Hughes, 'Sierra Leone Disarmament Ends,' *Jane's Defence Weekly*, 23 January 2002, 15
- <sup>5</sup> The full extent of the illicit trade in diamonds is documented in *The Kimberley Process: The Case for Proper Monitoring*, by Ian Smillie, Partnership Africa Canada, Ottawa, 2002.
- <sup>6</sup> Ian Smillie, Lansana Gberie and Ralph Hazleton, *The Heart of the Matter: Sierra Leone, Diamonds and Human Security*, Partnership Africa Canada, Ottawa, 2000
- <sup>7</sup> *Report of the Panel of Experts appointed pursuant to the Security Council Resolution 1306 (2000), paragraph 19, in relation to Sierra Leone*, United Nations, December 2000
- <sup>8</sup> For an incisive analysis of the regional nature of the conflict, see *Liberia: the Key to Regional Instability*, a report produced by the International Crisis Group, Brussels, April 2002
- <sup>9</sup> Stephen Ellis has suggested that Charles Taylor's ambitions combine criminal economic interests in the region as well as an ambition for a 'Greater Liberia' which would include parts of Sierra Leone and Guinea See Ellis, *The Mask of Anarchy*, Hurst & Company, London, 1999.
- <sup>10</sup> For an account of this coup, see Lansana Gberie, 'The May 1997 Coup d'état in Sierra Leone: A Militariat Revolt?' in *Africa Development*, Vol XXII, Nos. 3/4, 1997.
- <sup>11</sup> See Brian Urquhart, 'Some Thoughts on Sierra Leone,' *New York Review of Books*, June 15, 2000
- <sup>12</sup> Author's observation, in September 2001
- <sup>13</sup> See 'RUF, Unamsil, Lebanese in Diamond Deal,' *Standard Times*, 24 March, 2001
- <sup>14</sup> Douglas Farah, 'They Fought for Nothing, and That's What They Got,' *Washington Post*, 1 September, 2001
- <sup>15</sup> Douglas Farah, 'Al Qaeda Cash Tied to Diamond Trade, Sale of Gems from Sierra Leone Rebels Raised Millions, Sources Say,' *Washington Post*, 2 November, 2001
- <sup>16</sup> *Report of the Panel of Experts appointed pursuant to Security Council Resolution 1395 (2002), paragraph 4, in relation to Liberia*, 25
- <sup>17</sup> Author's interview with police officer handling the case; Freetown, April, 2002
- <sup>18</sup> Human Rights Watch, *Back to the Brink: War Crimes by Liberian Government and Rebels*, New York, May 2002, Vol14, No.4 (A).
- <sup>19</sup> Author's interview with J Laveli Supuwood, a prominent LURD member and a former Taylor aide, turned enemy, Abidjan, May 2001.
- <sup>20</sup> LURD Press Release, 'Suehun Captured, More Offensive Goes on,' 12 June, 2002
- <sup>21</sup> *Report of the Panel of Expert appointed pursuant to Security Council resolution 1395 (2002), paragraph 4, in relation to Liberia*, 45-54

- <sup>22</sup> *Sierra Leone Web* at <http://www.sierra-leone.org> (June, 2002).
- <sup>23</sup> Sierra Leone Police informant; also *Report of the Panel of Experts appointed pursuant to the Security Council Resolution 1306 (2000) in relation to Sierra Leone*, United Nations, December 2000
- <sup>24</sup> PK. Hall, *The Diamond Fields of Sierra Leone*, Sierra Leone Government Publications, Freetown, 1969.
- <sup>25</sup> John Williams, Donald Sutherland, Kimberley Cartwright and Martin Byrnes, *Sierra Leone: Diamond Policy Study*, January 2002; available at [www.dfid.gov.uk](http://www.dfid.gov.uk)
- <sup>26</sup> Author's interview with Mohamed Swaray Deen, Sierra Leone's Minister of Mineral Resources; and also with Usman Boie Kamara and Femi Kamara, both senior officials in the Ministry April, 2002.
- <sup>27</sup> Government of Sierra Leone, 'Interim Report on the Alluvial Diamond Mining Scheme 1956,' Confidential MD. 111/36, 18<sup>th</sup> June, 1956.
- <sup>28</sup> John Hirsch, *Sierra Leone: Diamonds and the Struggle for Democracy*, Lynne Rienner Boulder, Colo, 2001, pg. 25.
- <sup>29</sup> Statement by the General Manager of the Government Gold and Diamond Office, April, 2002 Copy in author's possession.
- <sup>30</sup> Interview with a mines monitor, Kenema, April 2002
- <sup>31</sup> Ibrahim Seibureh, 'Lebanese Diamond Dealers Flood Kono,' *Concord Times* (Freetown), 10 November, 2001
- <sup>32</sup> Mohamed Turay, 'Arrest Warrant for 3,' *Independent Observer* (Freetown), 27 February, 2002
- <sup>33</sup> Interview with Julie Koenen-Grant, Freetown, April 2002
- <sup>34</sup> Confidential interview with a Lebanese trader in Bo April, 2002.
- <sup>35</sup> Interview with Lawrence Ndola-Myers, Freetown April, 2002.
- <sup>36</sup> I have myself seen Lebanese diamond dealers passing wads of Leone notes (the Sierra Leone currency) to security officials at Lungi Airport
- <sup>37</sup> 'Angry Pujeh Exposes big Secret! Joe Demby and his Sister are mining Diamonds too!,' *Peep! Magazine* (Freetown), November, 2001
- <sup>38</sup> In a well-publicized conference, the Bank Governor defended his refusal to sign certificates on the grounds that many of the people who wanted to export diamonds were involved in illegal mining, and had links with the RUF
- <sup>39</sup> Neil Leighton, 'Lebanese emigration: its effects on the political economy of Sierra Leone,' in Albert Hourani and Shehadi, eds., *The Lebanese in the World: A Century of Emigration*, I.B. Tauris & Co., London 1992, pg. 581.
- <sup>40</sup> H.L. Van der Laan, *The Lebanese traders in Sierra Leone*, Monton & Co. NV, The Hague, 1975, pg. 79.
- <sup>41</sup> Didier Bigo, 'Lebanese community in the Ivory Coast: A non-native network at the heart of power?', in Hourani and Shehadi, *op cit*, pg. 511.
- <sup>42</sup> H.L. Van der Laan, *The Sierra Leone Diamonds*, Oxford University Press, Oxford, 1965, pg. 163.
- <sup>43</sup> *Ibid.*
- <sup>44</sup> David Casper Fithen, *Diamonds and War: Cultural Strategies for Commercial Adaptation to Low-intensity Conflict*, Ph.D Dissertation, University of London, 1999. Other prominent Lebanese family names are Jaward, Hasim, Morowah, Halloway and Mackie.
- <sup>45</sup> Fred Kamil, *The Diamond Underworld*, Allen Lane, London, 1979.
- <sup>46</sup> Koskoff, *op cit*, pp. 89-90.

- <sup>47</sup> Daniel Nassif, 'Nabih Berri: Lebanese Parliament Speaker', *Middle East Intelligence Bulletin*, December 2000.
- <sup>48</sup> Jimmy Kandeh, 'Sierra Leone and the 'Soft' State,' *The Review of African Political Economy*, 1996.
- <sup>49</sup> Jimmy Kandeh, 'Ransoming the State: Elite Origins of Subaltern Terror in Sierra Leone,' *Review of African Political Economy*, 1999, pg. 249.
- <sup>50</sup> Kandeh, *op cit*.
- <sup>51</sup> *The New York Times*, 24 October, 1987.
- <sup>52</sup> Bigo, *op cit*, pg. 522.
- <sup>53</sup> Robert Cooper, 'Reordering the World: The long term implications of September 11,' The Foreign Policy Centre, www.fpc.org.uk; the quote is taken from an excerpt of the article as published in the *Observer*, 'Why we still need Empires,' 8, April, 2002.
- <sup>54</sup> Lebanese business networks are mainly family affairs, and a clue to their success lies in large part to the proliferation of family ties across West Africa. I met an Ossailly in Kenema; he was previously in Liberia and is now a diamond dealer in Sierra Leone. He declined to be interviewed for this report.
- <sup>55</sup> UN Security Council, Press Release SC/7068, 4 June 2001.
- <sup>56</sup> Confidential interviews in Freetown with ex-RUF officials, April 2002.
- <sup>57</sup> Confidential ex-RUF source. Freetown, April, 2002. Issa Sesay, then 'Battlefield Commander' of the RUF confirms the J.P. Koroma story in a lengthy 'Salute Report' to RUF leader Foday Sankoh, dated 17 September 1999.
- <sup>58</sup> *De Verdieping Trouw*, Amsterdam, 19 December 2001.
- <sup>59</sup> UN Security Council, Report S/2000/1195, 20 December 2000, pg. 17.
- <sup>60</sup> Douglas Farah, 'Al Qaeda Cash Tied to Diamond Trade', *Washington Post*, 2 November 2001.
- <sup>61</sup> Douglas Farah, 'An 'Axis' Connected to Gaddafi, Leaders trained in Libya have used War to Safeguard Wealth,' *Washington Post*, 2 November 2001.
- <sup>62</sup> Stephen Ellis, *The Mask of Anarchy*, Hurst and Co., London, 1999, pg. 72.
- <sup>63</sup> Author's interview with three Sierra Leoneans that went through the Libyan training, Freetown, April, 2002.
- <sup>64</sup> David Johnston, Don van Natta Jr. & Judith Miller, 'Qaeda's New Links Increase Threats from Global Sites, Jihad Force Still Potent,' *New York Times*, 16 June 2002.
- <sup>65</sup> Memo in author's possession.
- <sup>66</sup> Interview with Hassan Barrie, President of the United Mine Workers Union. Freetown, April, 2002.
- <sup>67</sup> A Lebanese trader I spoke to in Bo was anxious to tell me this story, emphasizing the fact that Rapaport's man was simply a crook who wanted to smuggle the gems.
- <sup>68</sup> Interview with Richard Michael Adelsberger, an agent of the company. Kenema, April, 2002.
- <sup>69</sup> Interview with a mines monitor.
- <sup>70</sup> Except in a handful of cases, it is usually a Lebanese man marrying a Sierra Leonean woman, not the other way around.
- <sup>71</sup> Government of Sierra Leone, *Citizenship Act*, Sections 2 (a) and (b), 1971; this issue is discussed in van Der Laan's *The Lebanese Traders in Sierra Leone*, *op cit*
- <sup>72</sup> UN Security Council, *Report S/2000/1195*, 20 December 2000, pg. 37.
- <sup>73</sup> Noritmisu Onisha, 'Africa Diamond Hub Defies Smuggling Rules,' *The New York Times*, 2 January, 2001.

<sup>74</sup> Christian Dietrich, *Central African Republic*, Partnership Africa Canada, Ottawa, *forthcoming*.

<sup>75</sup> RUF informants repeated this in dozens of interviews I conducted with them over the years. The RUF claims, however, that diamond mining was only an incidental operation, necessary to earn 'extra money' for a 'movement' otherwise dedicated to revolutionary goals.

<sup>76</sup> GGDO, *Statement from the General Manager*, April, 2002

<sup>77</sup> I was shown a large parcel of such stones by OC Daboh, a senior CID officer, in his offices in Freetown, in April, 2002. It must be added that not just Nigerians are involved in this scam. Some Sierra Leoneans have also been arrested in connection with it.

<sup>78</sup> *IRIN*, 2 July, 2002

<sup>79</sup> 'Upheaval in Liberia/Repatriation to Sierra Leone: Findings and Recommendations', US Committee for Refugees, Washington, July 26, 2002.

<sup>80</sup> Human Rights Watch, *Back to the Brink: War Crimes by Liberian Government and Rebels*, Vol 14, No. 4 (A), May, 2002, New York.

<sup>81</sup> Author's interview with President Kabbah Freetown, April, 2002.

<sup>82</sup> The Sierra Leone Police force was depleted during the war from 9,317 to 6,000; 900 police officers were killed and the rest fled or retired from an occupation that had become extremely hazardous: the RUF deliberately targeted the police, destroying their infrastructure and killing its personnel

## the Diamonds and Human Security Project

Partnership Africa Canada • International Peace Information Service • Network Movement for Justice and Development

### **War and Peace in Sierra Leone: Diamonds, Corruption and the Lebanese Connection**

by Lansana Gberie

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