



Press Contacts:

Sierra Leone: Abu A. Brima, *Executive Director*, Network Movement for Justice and Development, +232 76 645314 | abuabrima@gmail.com/abu.brima@nmjdsl.org

Benedict Jalloh, *Principal*, C and J Partners +232 76 901637 | <u>benedictcmj@gmail.com</u>

International: **Jonathan Kaufman**, *Executive Director*, Advocates for Community Alternatives +233 55 555 0377 | jonathan@advocatesforalternatives.org

Sierra Leone Communities Sue Mining Company Koidu Ltd. for Environmental Damage and Violence

KOIDU, SIERRA LEONE, MARCH 7, 2019 – Villagers victimized by the operations of Koidu Ltd., an international diamond mining company, took their first steps toward justice on Monday. By filing suit in the High Court of Sierra Leone, they are accusing the company of complicity in violence and killings, environmental damage, and destruction to homes and livelihoods – especially those of traditional landowners, women and other disadvantaged community members.

"By suing Koidu Ltd., its related companies, and their leaders, residents of Gbense and Tankoro Chiefdoms are doing something that few communities affected by mining abuses in Africa have done: holding an abusive company legally responsible in the local court system," said Abu Brima, Executive Director of the Network Movement for Justice and Development (NMJD), a Sierra Leone non-profit that has worked with the Koidu communities for years. "It's incredible to see local lawyers working to protect communities in their own country from powerful economic interests," noted Jonathan Kaufman, Executive Director of Advocates for Community Alternatives, a regional organization that supports the lawsuit. "That public spirit is something we need to see more of in West Africa."

"Koidu Limited has destroyed our lives," said Madam Kumba King, Tankoro Queen Mother and representative of the Marginalized Affected Property Owners Association. "We used to farm and live in peace, but now our lands and water sources are poisoned and covered in rubble. Our homes are shaken by explosives every day." Property owners whose homes are near the mine have repeatedly asked the company to relocate them according to the commitments it made to the Sierra Leone government when it signed its concession agreement, but hundreds of people remain in the area that is devastated by the company's operations.

Koidu Ltd. (also known locally as Octea, the name of its parent company) has affected Gbense and Tankoro in many ways. Women who previously farmed small plots have lost that land and are now reduced to taking rocks from the company's giant rubble pile – which looms over the entire community – and breaking them into gravel to sell to construction crews. "This back-breaking work is ruining my health, but what choice do I have?" complained Aminata Turay, leader of the

cooperative of women stone-breakers. "I can barely make enough to feed my kids, but I don't have land to grow food for them anymore."

The company has also been linked to violence in 2007 and 2012 in which public security agents shot into crowds. Two bystanders were killed in both incidents, and multiple people were injured. A government inquiry into the 2007 incident assigned responsibility both to the police and the company. Recommended reforms were never carried out, and no one was held legally responsible. Moreover, Koidu Ltd.'s private security forces were spotted during both incidents, driving the police around and facilitating their attacks.

The first legal step in holding the mining company responsible for its destruction is to "pierce the corporate veil" – a legal term for untangling a complex corporate group that has been set up to avoid legal liability, according to the community's lawyers. "In this week's filing, we asked the court to recognize that Koidu and all its related companies are really one enterprise," said Benedict Jalloh, Principal of C and J Partners and attorney for the plaintiffs.

Koidu Ltd. is part of a web of holding companies and other legal entities that stretches from Sierra Leone to offshore tax havens such as the British Virgin Islands and Guernsey and, eventually, to a Liechtenstein trust controlled by the family of Israeli diamond mogul Benny Steinmetz. "Koidu and Octea have tried to use their corporate structure and foreign registration to evade legal liabilities such as taxes and employment benefits in Sierra Leone. If the court lets us pierce the veil, these companies cannot hide behind each other to shield assets or shirk their obligations to the communities," said Daniel Fofanah, the Legal Officer for NMJD.

The plaintiffs hope that these legal actions will lead the company to finally relocate affected persons, compensate them for their losses, and own up to its part in the impoverishment of the communities. A ruling on the corporate veil request is expected on March 13.

Established on the 8th of February 1988, the Network Movement for Justice and Development (NMJD) is a national civil society human-rights oriented, advocacy and development organization. NMJD's vision, mission, core values, distinctiveness and work is founded and driven by a simple practical dream - to see a Sierra Leone where the fundamental rights of citizens are protected and promoted, and justice is delivered to the poor who are sufficiently empowered to challenge the systems of inequality and exploitation that keep them in abject poverty.

Advocates for Community Alternatives (ACA) supports West African communities that are threatened or affected by the destructive impacts of extractive development. ACA helps communities to take control of their future and pursue their own vision of sustainable development. ACA is the coordinator of network of PILIWA, a network of lawyers and other advocates in West Africa that provides legal assistance to communities in need.