

Links Found Between Illegal Mining and Foreign Companies in Peru



Lima, June 17 (teleSUR-RHC)-- Illegal exports of gold combined with the legal distribution of the mineral would make Peru the second largest exporter of the metal, behind only to China.

Peru's government is at fault for the illegal distribution of gold, analysts claimed on Tuesday after the investigative journalists group, *Public Eye*, released a report showing massive amounts of exported gold mined illegally and allegedly sold to six members of the London Bullion Market Association.

The estimated amount of contraband gold exports leaving from Peru illegally each year is 150 tons according Public Eye. That translates to a value of over \$5 billion a year that has allegedly ended up in the hands of Swiss companies Metalor Technologies and MKS Finance, US companies Northern Texas Refinery and Republic Metals Corporation, as well as the Italian Italtreasures and Saudi Arabian Kaloti.

Fabiola Torres from Public Eye explains they obtained their results by comparing documents showing how much gold leaves the country legally and how much enters Miami, Zurich or Rome as imports. "When you investigate the exports, there are tons that are sent away every year," says Torres, adding "that means that there is a great deal of gold that is out of the system, does not pay taxes, and it is

making a few people rich but the wealth is not staying in the country of origin, it's going abroad."

But tax evasion is not the only problem. Illegal gold mining with its use of heavy chemicals and machinery are leaving hundreds of hectares arid in the middle of Peru's Amazon rainforest. Those deserts used to be part of one of the most biologically diverse regions of the world.

Together with several other analysts, Julia Cuadros, mining expert and director of CooperAccion blames the government for the continuing illegal mining. "(The government's) failure is due to it not being able to look at the problem as a whole," she said. "It is important to intervene and discipline the (small) illegal miners, but that is not enough because for gold, there is a entire (business) chain."

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