

Freedom of Information Request 0280-14: Digest of Information Being Released

NB – names and personal details of junior/non public-facing staff have been redacted as personal information under section 40 of the Act. Other redactions are noted in the text along with the section of the Act that they are exempted under.

[Email exchange between FCO's Sanctions Team, IOD and Africa Directorate regarding draft PQ answer]

From: *[name redacted]*
Sent: 21 May 2009 13:42
To: *[name redacted]*
Cc: *[name redacted]* (Africa Dept South); *[name redacted]*; *[name redacted]* (Dfid); *[name redacted]*; *[name redacted]* (BERR) (Cleared); *[name redacted]*
Subject: FW: DRC PQ
Importance: High

[Nil Return from sanctions team. I think that it reads well.](#)

[name redacted]

From: *[name redacted]*
Sent: 21 May 2009 13:24
To: *[name redacted]*; *[name redacted]* (Dfid); *[name redacted]*; *[name redacted]* (BERR) (Cleared)
Cc: *[name redacted]* (Africa Dept South); *[name redacted]*
Subject: DRC PQ
Importance: High

All,

Very grateful for any changes / suggestions on the attached draft PQ reply by 4:00 pm today.

Many thanks,

[name redacted]

[Draft PQ reply attachment]

what assessment they have made of the activities of Hussar Ltd, a United Kingdom company based in Jersey with a London office, with regard to the purchase of gold in the Democratic Republic of Congo.

REPLY

The UN's Group of Experts on the Democratic Republic of Congo has investigated the activities of Hussar Ltd in the trade of gold from DRC. Their enquiries covered Hussar Ltd's relationship with Uganda Commercial Impex Ltd, a company now subject to UN sanctions. We concluded in 2006 that it would not be appropriate to impose sanctions on Hussar Ltd through the UN. We have no information to indicate that Hussar is currently involved in the trade of gold from DRC. If it resumes its involvement in this trade, we would expect the company to act in compliance with the terms of the UN arms embargo and sanctions regime which apply in DRC.

CONTEXT

The UN Group of Experts' investigations in 2005 and 2006 pointed to the connection between Hussar Ltd and UCI, a Ugandan firm made subject to UN sanctions in late 2006 / early 2007. UCI was placed on the sanctions list on the basis that it 'bought gold through a regular commercial relationship with traders in the DRC tightly linked to militias. This constitutes "provision of assistance" to illegal armed groups in breach of the arms embargo of resolutions 1493 (2003) and 1596 (2005).' UCI supplied gold to Hussar. The Group of Experts' view in 2006 was that sufficient evidence existed to show Hussar's activities met the criteria for the application of sanctions.

FCO officials considered whether the UK should support the imposition of sanctions. The decision not to support it rested on the fact (confirmed by the Group of Experts) that Hussar had ceased trading with UCI in May 2005. By July 2006, Hussar was not operating; it was unable to continue to do business as a result of the Group of Experts' investigation. UN sanctions are intended to influence behaviour, not to punish past activities. HMG's judgement in the latter half of 2006 was that applying sanctions in Hussar's case would run counter to this principle.

As acknowledged in Group of Experts' reports in 2007 and 2008, Hussar has withheld payments worth over \$780 000 to UCI. Recent recommendations by the Group of Experts have not argued for the application of sanctions against Hussar.

[email exchange between Sanctions Team, FCO and UKMis New York]

To: *[name redacted]* UKMIS New York
From: *[name redacted]*
Subject: FW: Argor/Hussar Letters - Silence Procedure
Sent: Friday, February 23, 2007 16:34:37 PM GMT

Dear *[name redacted]*,

We are happy with the letters. I don't know if you are aware of the history but the wording has been changed several times. Hopefully, everyone is happy with this version!

Many thanks,

[name redacted]

-----Original Message-----

From: *[name redacted]*
Sent: Friday, February 23, 2007 12:54 PM
To: *[name redacted]* UKMIS New York
Cc: *[name redacted]; [name redacted]; [name redacted]*
Subject: Argor/Hussar Letters - Silence Procedure

Dear *[name redacted]*,

Thank you for your liaison over wording of the Hussar letter.

The latest version looks fine - hopefully, it is acceptable to everyone else this time!

Kind regards,

[name redacted]

Desk Officer Sanctions Team

International Organisations Department

Foreign and Commonwealth Office

Tel: *[number redacted]* Fax: *[number redacted]*

[Email exchange between Sanctions Team, FCO and UKMis New York]

To: [name redacted]; [name redacted]; [name redacted]; [name redacted] (London)
From: [name redacted]
Subject: DRC sanctions: Hussar Ltd
Sent: 29 July 2005 14:26:11 GMT

All,

I have now taken a call from [name redacted] of Hussar Bullion who is in London next week and is very keen to meet with us early next week. [line redacted – section 41(1)] Grateful if you could let me know **by 5.00 today** whether you are available for a meeting on Tuesday morning (2nd August) at 10.00 and would be interested to hear what Hussar have to say. I am actually on leave for 2 weeks from next week so [name redacted] will represent sanctions team.

For your background, Hussar, based in Jersey, were mentioned briefly in the January report of the Group of Experts on the DRC as a **key importer of Congolese gold from Kampala**. See p. 32, para 126 of the report, which is the top link on <http://www.un.org/Docs/sc/committees/DRC/DRCselectedEng.htm>.

The Group of Experts mentioned them when they came to visit early in June. Relevant paragraph from my minute below (not that enlightening on exactly how Hussar may have breached the arms embargo):

Hussar Bullion

[paragraph redacted – section 27]

[4 lines redacted – section 27]... We should meet with Hussar to establish their connections with gold traders in the DRC/Uganda. We should also advise them of their obligations under the UN measures and what kinds of activities could be in breach.

Thanks,

[name redacted]

-----Original Message-----

From: [name redacted]
Sent: 29 July 2005 09:11
To: [name redacted]
Cc: [name redacted]; [name redacted]
Subject: FW: DRC: Hussar Ltd

[name redacted]

If they're keen to meet us, this would be a good chance to meet the 3rd co mentioned in the GoE report and hear their story. (Fits with what we said to ministers in the submission.)

([name redacted] - fyi: I think Hussar gold was coming via Uganda.)

[name redacted]

-----Original Message-----

From: [name redacted] UKMIS New York **Sent:** 29 July 2005 00:38
To: [name redacted]
Cc: [name redacted]; [name redacted]
Subject: DRC: Hussar Ltd

[name redacted]

1. As you know, I received a phone call on 28 July from [name redacted] of Hussar Ltd (UK mobile: [Tel number redacted]) - the Jersey-based company cited in the DRC Group of Experts' previous two reports for its involvement in the export of gold from Uganda allegedly sourced in the DRC.
2. [paragraph redacted – section 41(1)]
3. Time constraints meant I was unable to meet [name redacted] on 28 July. [redacted] is travelling on to London. I suggested [redacted] make contact with [name redacted] or yourself in Sanctions Unit. [redacted] said [redacted] would do so in the next few days.

[name redacted]

[name redacted]

UK Mission to the United Nations

tel: [Tel number redacted]

ftn: [Tel number redacted]

cell: [Tel number redacted]

fax: [Tel number redacted]

www.ukun.org

www.eu2005.gov.uk

[email from Export Control Organisation, BIS to Sanctions Team, FCO]

To: *[name redacted]*
From: *[name redacted]*
Subject: DRC - Hussar Ltd
Sent: 19 October 2005 11:31:43 GMT

[name redacted]

I cannot say whether Hussar are simply naive, or whether they adopted "a hear no evil, see no evil" approach, or whether they had a good idea of what was going on but have chosen to deny all knowledge.

On the export control front we have issued guidance material about handling suspicious enquiries or orders. There is a list of factors that we suggest companies make their sales and order staff aware of so that they can play their part in spotting any dubious business. For instance people should be suspicious if the:-

"customer is reluctant to offer information about the end-use of the items; the customer is reluctant to provide clear answers to commercial or technical questions which are routine in normal negotiations; there are unusual requirements for excessive confidentiality about final destination, or customers, or specifications of items."

This leaves me to wonder whether you might not consider issuing some guidance material for traders dealing in natural resources from conflict zones that might help to prevent "innocents abroad" being caught out in the future (you would need to consult some major players to ensure you were not suggesting questions that were totally inappropriate).

Over to you.

[name redacted]

[email exchange between FCO's Africa Directorate and Sanctions Team, IOD]

To: [name redacted]
From: [name redacted]
Subject: RE: update of PQ response on UK companies
Sent: 26 July 2006 13:23:37 GMT

[name redacted],

Glad you asked. No we're not investigating Hussar any more. I've changed the lines quite a bit - see attached.

cheers,

[name redacted]

-----Original Message-----

From: [name redacted]
Sent: 25 July 2006 11:13
To: [name redacted]
Subject: update of PQ response on UK companies
Importance: High

7.2 What are you doing to investigate allegations of UK companies violating the embargo?

Two UK companies are referred to in the latest (Jan 06) report of the Group of Experts on the DRC arms embargo: AngloGold Ashanti (AGA) and Hussar Services.

When these two companies were named in the previous report of the Group of Experts, UK investigating authorities reviewed the information available but decided that there was insufficient evidence to warrant an investigation into either company under UK law.

In its latest report, the Group of Experts concludes that actions of AGA which it had previously criticised *were 'isolated cases and are not a reflection of the company's overall strategy'*. The Group also praises the co-operation provided to it by senior company officials.

We are currently considering the allegation made by the Group of Experts in its latest report that Hussar acted in contravention of the arms embargo, and examining how it builds on information in the previous Group of Experts report.

[name redacted]

Hope you enjoyed the rather angry DRC debate last night!

Pls can you update this for me? Probably the last para only. This is for a press briefing Lord T.
Are we still considering the allegations re Hussar?

Thanks,

[name redacted]

Desk Officer Great Lakes

Africa Department (Southern)

Foreign & Commonwealth Office

Tel: *[Tel number redacted]*