

October 18, 2017



3025 4th St, NE, Suite 122  
Washington, DC 20017

Dear Senators,

We are writing to urge you to oppose any congressional steps to repeal in part or in whole the legal requirements of the Conflict Minerals Provision (section 1502) and the Cardin-Lugar Anticorruption Provision (section 1504) of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010.

We are Africa Faith & Justice Network, a Catholic membership organization representing over 28 religious communities and many more supporting members with a specific focus on advocacy and education for the transformation of U.S. policy toward Africa. Our members, many of whom are working in Africa as missionaries, know firsthand that one of Africa's largest ills is corruption.

In response to President Donald Trump's Executive Order 13772 on Core Principles for Regulating the United States Financial System, the U.S. Department of the Treasury issued this October 2017 a report titled "A Financial System That Creates Economic Opportunities" in which the Department recommends that "**Section 1502 (conflict minerals)**, Section 1503 (mine safety), **Section 1504 (resource extraction)**, and Section 953(b) (pay ratio) of Dodd-Frank be repealed and any rules issued pursuant to such provisions be withdrawn, as proposed by H.R. 10, the Financial CHOICE Act of 2017. In the absence of legislative action, Treasury recommends that the SEC consider exempting smaller reporting companies (SRCs) and emerging growth companies (EGCs) from these requirements." (Appendix B, Page 205). We believe these provisions should be protected for the following reasons:

### **1. Cardin-Lugar Anti-Corruption Provision: Disclosure of Payments by Resource Extraction Issuers.**

This bipartisan law, also known as Section 1504, promotes a fundamental principle in development and political science: corruption is a lifeline for tyranny and a threat to peace, justice, just economic prosperity and democracy. The law requires making public all payments such as royalties, bonuses, fees, taxes made to governments in each country and for every project in oil, gas and mining sector.

These are just some of the reasons why we urge you to support this law:

- Section 1504 is an efficient instrument through which the **U.S. government can promote** transparency and responsible investment.
- The law protects U.S. companies from **harassment by corrupt governments** when negotiating these contracts.
- U.S. tax payers' money previously used for **anti-corruption programs in oil, natural gas and mineral** rich nations will remain here and **benefit American citizens. Knowing how much** these foreign **governments receive in sales from their natural resources, citizens, civil society groups** and concerned leaders **will be empowered to demand accountability** from their governments.
- It helps restore the fast eroding U.S. image in developing nations, some of which are covered by this law, in the area of corporate land grabbing, characterized by corruption in natural gas, oil and mining concessions acquisition.
- In some countries, the law improves competitiveness of U.S. companies against neocolonial policies by former colonial masters who still think they deserve priority on businesses contracts in their former colonies.

## 2. The Conflict Minerals Provision

Dodd-Frank, Section 1502 is the conflict mineral provision which requires companies registered with the US. Securities and Exchange Commission (SEC) to carry out due diligence and disclose whether or not their products contain conflict minerals from the Democratic Republic of the Congo (DRC) and adjacent countries. In 2010, the U.S. Congress included section 1502 in the financial reform law because the world's demand for these natural resources from the DRC - gold, tin, tantalum, and tungsten - was financing, through trade, the war in the Democratic Republic of the Congo.

More than the whole population of the state of Colorado (5 million) is believed to have died from war and war-related causes since 1996, and rebel groups still are causing death and destruction in many parts of the Congo. The latest news from the DRC point to the need to ensure cash flow does not get to warlords:

- October 6, 2017, the base of the United Nations peace Keeping in Butembo , North -Kivu was attached by a militia.
- October 5, 2017 several fighters of Mai-Mai Mazembe militia were killed in a military campaign in several localities in Lubero.
- October 2, 2017 the army launched an offensive against a coalition of the following militia groups in South Kivu province: Raia Mutomboki Hama Kombo, Shukuru, Shabani and Butachibera.
- September 27, 2017 the city of Uvira which shares borders with the Burundian Capital Bujumbura was a war zone because the army was fighting with Mai-Mai militia.
- On September 18, 2017 the army killed 36 and injured more than 100 Burundian refugees who fled the political crisis in their country. Congolese army says that they were Burundian suspected to be members of a Burundian rebel group which is working with Congolese militia. But the Burundian government condemned the act and asked for an explanation to the UN peacekeeping mission in the D.R. Congo and the United Nations refugee agency.

These are the many rebel groups which were deprived of cash flow by Dodd-Frank 1502. A repeal of the law or even just defunding it will be a nice gift to these rebel groups; war will continue to spread across the DRC, and the Republic of Burundi will not be spared given the ongoing political crisis since President Nkurunziza held on to power for a third term.

We once again urge you to lean forward and embrace truth, transparency and justice. These laws are a testament that the U.S. is a forward-looking, corruption-fighting country in a community of nations where transparency has become the global norm.

May God bless you and guide you in your work.

Sincerely,



Rev. Aniedi Okure, OP  
Executive Director