



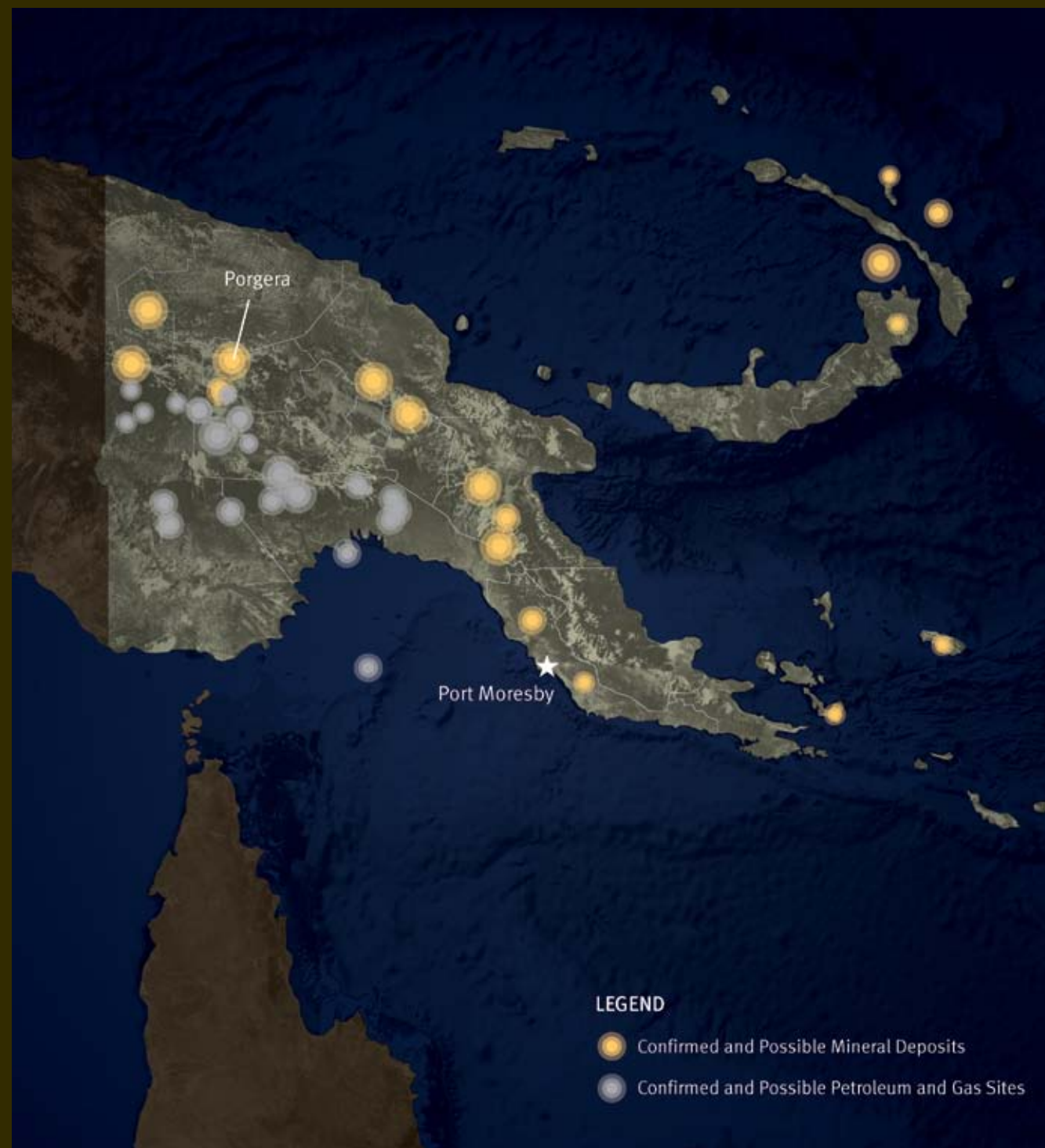
HUMAN
RIGHTS
WATCH

GOLD'S COSTLY DIVIDEND: THE PORGERA JOINT VENTURE

Photographs by Brent Stirton/Getty Images for Human Rights Watch



Since the Porgera mine opened in 1990, it has produced over 16 million ounces of gold. At today's prices, that would be worth more than \$20 billion. Barrick took over the mine in 2006 and production is expected to continue until at least 2023.



MAP OF MINERAL , PETROLEUM AND GAS PROJECTS AND EXPLORATIONS

Natural resources form the backbone of Papua New Guinea's economy, especially mining and timber and palm oil, and now, an enormous liquid natural gas project that's being headed up by Exxon Mobil. 12% of the country's export earnings come from the Pongera gold mine.

SUMMARY

Many of Papua New Guinea's most intractable problems are inextricably bound up with the country's most promising sources of wealth. Mining, gas, timber and other extractive industries are the most productive sectors of Papua New Guinea's otherwise ailing economy. But exploitation of these resources has also led to violence, human rights abuse, corruption and environmental damage.

The Pongera gold mine—the subject of this report—is a potent symbol of both the perils and the financial rewards that extractive industries hold for Papua New Guinea. The mine is 95 percent owned and solely operated by Barrick Gold, a Canadian corporation that is the world's largest gold mining company. It has been a central part of Papua New Guinea's economy since it opened in 1990, but its operations have consistently been mired in controversy and tarnished by allegations of abuse.

This report is, first and foremost, an attempt to set the record straight on one of the world's most controversial—and most misunderstood—mining ventures. The following pages describe a pattern of violent abuses, including horrifying acts of gang rape, carried out by members of the mine's private security force in 2009 and 2010. They also recount Barrick's history of angrily dismissing human rights and environmental concerns that the company should have treated more seriously and dealt with more transparently. On the other hand the report also describes how more recently, Barrick has taken some meaningful steps—and promised others—to address some of the mine's most serious human rights problems.

Pongera sits in a remote part of Papua New Guinea's restive highlands that the government

had largely ignored until the mine's development. Because of the mine, Pongera has gone from being a forgotten backwater to one of the primary engines of the national economy. Since 1990 the Pongera Joint Venture (PJV) has produced more than 16 million ounces of gold and accounted for roughly 12 percent of Papua New Guinea's total exports. Barrick acquired the mine in 2006 when it took over Placer Dome, the Canadian company that had developed the mine and operated it from the time it opened.

The Pongera mine has always been controversial. For years, local activists have alleged that mine security personnel carry out extrajudicial killings and other violent abuses against illegal miners and other local residents. The mine has also been widely condemned for discharging six million tons of liquid tailings (mine waste) into the nearby Pongera River each year—a dangerous policy that is not consistent with industry good practice. The relationship between the mine's management and its most prominent local critics is deeply dysfunctional, with both sides often more focused on attacking one another than addressing issues of mutual concern.

In spite of all the wealth it generates, Pongera still suffers from poverty and a dearth of basic government services. Government authorities have



ILLEGAL MINING ON THE WASTE DUMPS

Every day, hundreds of men, women, and children of all ages trespass onto the mine's sprawling Anjolek, Anawe, and Kogai waste dumps, searching for scraps of rock that contain salvageable quantities of gold. For most people this amounts to a dreary and non-violent routine—chipping away at discarded bits of rock on the mine's vast waste dumps for a paltry income.

A group of miners makes their way home after a day of illegal mining for gold in the waste dumps.



In sharp contrast to the monotonous routine that characterizes illegal mining on the waste dumps, a much smaller number of illegal miners organize violent raids on the mine's open pit operation, stockpile, or underground areas. These violent raids are an enormous threat to the security of the mine and its employees.

An man scales a fence protecting the mine's perimeter.

also failed to address new local problems that are directly related to the mine's development, including the health impacts of mercury use by small scale and illegal miners in the area.

Violent insecurity is a chronic problem around Porgera, in part because the mine has attracted economic migrants—a diverse group including men, women, and children. Many engage in illegal mining and some participate in violent crime and other activities that destabilize the area. For most people this amounts to a dreary and non-violent routine—chipping away at discarded bits of rock on the mine's vast waste dumps for a paltry income. But some illegal miners organize daring, violent raids on the mine's open pit, underground tunnels, or stockpile areas, often clashing with mine security personnel. These raids occur almost every night.

The government has consistently failed to maintain law and order in the face of these security challenges. There is widespread public distrust of police in Papua New Guinea due to the force's reputation for violent abuses and incompetence. Only a handful of poorly equipped regular police officers are deployed to Porgera, where they are not just responsible for the mine, but also for policing a region plagued by violent crime and frequent tribal fights. Largely for this reason, Barrick employs nearly 450 private security personnel under PJV's Asset Protection Department. It is also an important reason why, in 2009, Barrick agreed to bear most of the cost of a government deployment of mobile police squads to Porgera. Both courses of action have led to serious accusations of abuse against the company.

After acquiring the mine in 2006 Barrick took a number of steps intended to make the security force it inherited from Placer Dome more disciplined and

in line with international norms like the Voluntary Principles on Security and Human Rights, which Barrick joined in October 2010. But as this report shows, those steps were inadequate and failed to prevent serious abuses including abuse of people in custody, excessive use of force, and several alleged incidents of gang rape.

Human Rights Watch's research found that mine security personnel were generally well disciplined when faced with the most challenging situations they have to deal with—violent nighttime raids by illegal miners on the central areas of the mine. But when operating further afield—and under less rigorous supervision by superiors—some security personnel have committed violent abuses against men and women, many of them illegal miners engaged in nonviolent scavenging for scraps of rock. The abuses investigated by Human Rights Watch all occurred on or near the sprawling waste dumps around the mine.

Human Rights Watch documented five alleged incidents of gang rape by mine security personnel in 2009 and 2010, and a sixth in 2008. We believe these incidents represent a broader pattern of abuse by some PJV security personnel. Subsequent investigations carried out by Barrick and by the Papua New Guinea police in response to Human Rights Watch's allegations have discovered other alleged incidents of rape by PJV security personnel, separate from those documented by Human Rights Watch. In January 2011 PJV announced that it was firing several employees for alleged involvement in, or failure to report, assaults against women and other serious crimes. Some of those individuals were subsequently arrested and charged by the police.

Some of the women interviewed by Human Rights Watch described scenes of true brutality. One

woman told how she was gang raped by six guards after one of them kicked her in the face and shattered her teeth. Another said she and three other women were raped by ten security personnel, one of whom forced her to swallow a used condom that he had used while raping two other victims.

Several women said that after arresting them for illegal mining on the waste dumps, guards gave them a “choice” of submitting to gang rape or going to prison to face fines and possible jail time. But in some of those cases the women said that guards raped them even after they pleaded with their assailants to take them to jail.

In Porgera, rape survivors have few options for assistance or redress. The women that Human Rights Watch spoke to said they feared reporting abuses to the authorities given the fear of retribution, the threat of punishment for illegal mining, and the social stigma that affects rape victims around Porgera. These fears are heightened in a country where abuses by the police are endemic and complaints of sexual harassment and violence by police officers are common. Furthermore, Barrick did not establish safe or accessible channels for community members to report abuses by Barrick employees directly to company authorities.

Human Rights Watch also interviewed people who said that mine security guards beat them up or threatened them after they were already in custody, or that guards used excessive force to apprehend them. Some people alleged that they were kicked or punched while lying handcuffed on the ground or on the floor of security personnel’s cars. Others said that they were tear-gassed or shot with less lethal projectile weapons without any warning or chance to surrender. One 15-year-

old boy told us that security guards threatened to unleash an attack dog on him after he had already been detained and handcuffed.

In addition to all of this, Barrick has come under considerable fire for abuses carried out by mobile police squads that have been deployed to Porgera since 2009 to improve the overall law and order situation in the area. The company houses and feeds the mobile squads and provides other material support to them. Some critics argue Barrick should withdraw this support, but company officials say the government would not sustain the deployment if it did so. Overall, the mobile deployment has contributed to a sharp reduction in violent crime and insecurity around Porgera that is welcomed by most local residents. But its members have also been implicated in serious abuses—most notably the 2009 destruction of a community called Wuangima and the forced eviction of its residents.

Too often, Barrick has responded with dismissive hostility to concerns about its human rights record at Porgera. But more recently the company appears to be making substantial efforts to engage more constructively and transparently with these issues. Human Rights Watch carried on a sustained dialogue with company officials regarding the allegations in this report. Barrick commissioned former commissioner of police and ombudsman Ila Geno to investigate the allegations of abuse by PJV security personnel and then conducted an in-depth internal investigation of the entire force. Company officials ultimately acknowledged that there are abusive members of the PJV security force and vowed to remedy the situation. Barrick also committed itself to specific measures that could improve accountability and reduce opportunities for abuse. The company has also

GANG RAPE

Horrific acts of gang rape were allegedly carried out by members of the mine’s private security force.

“I was trying to run away and they came and cut us off. Another girl and me, we were two. We were screaming and one of the security guards came and just punched me. They dragged me into the bush, they wanted to have sex where there used to be a small creek. Then they tied my hands and my legs...and raped me.”





“The security guards came out of the car. They caught me. They held me and raped me and they kicked my mouth and my teeth broke. My teeth...eleven of them were broken.”

“I fell down and the security came and caught me. They asked me, ‘Do you want to go to jail or go home?’ I said I wanted to go home. They said, ‘Then you will pay a big fine,’ and then the security guards raped me.”





A local man in a community adjacent to the mine.

provided material support to a police investigation into the allegations of sexual violence by members of the PJV security force.

One of Barrick's most glaring failures at Porgera has been its inadequate effort to monitor the conduct of mine security personnel working in the field, especially on relatively isolated parts of the

waste dump. Another has been the company's failure to establish a safe and accessible channel that people can use to complain about alleged abuses by security guards or other company employees. Barrick has committed itself to taking steps designed to address both failings—described in detail in the pages that follow. Human Rights Watch welcomes these moves, but their

ultimate value will depend entirely on whether they succeed in preventing abuse and ensuring accountability for abuses that do occur.

Barrick has also committed to providing Human Rights Watch with copies of its most current environmental reports when they are finalized, along with other documents. In Human Rights

Watch's view, the company should have made these public long ago. Doing so now will allow informed independent scrutiny of the likely downstream impacts of the mine's practice of riverine tailings disposal, which local communities and international campaigners alike have criticized.

There is one essential component of adequate management of the situation at Porgera that is still completely lacking: responsible government regulation. The Papua New Guinea government exercises no meaningful day-to-day oversight over the Porgera mine's private security force, and it is not clear that it has the capacity to do so. In fact, the government has often appeared more interested in quashing community objections to lucrative extractive projects than regulating those projects effectively.

Since most of the world's international mining and exploration companies—including Barrick—are Canadian, one might expect the Canadian government to exercise some oversight over its corporate citizens abroad. This could have particular impact in poorly regulated environments like Papua New Guinea. But this is not the case; Canada has thus far chosen to exercise little oversight of Canadian companies operating overseas, including those in the extractive industry. Legislation that would have empowered government ministries to exercise a modest degree of scrutiny over the human rights records of extractive industry companies was defeated in Canada's House of Commons in October 2010. The bill was fiercely opposed by the mining industry—including Barrick, which vocally opposed the bill's passage. This missed opportunity challenges Canada's government, and the industry itself, to champion new legislation capable of redressing very serious abuses that can and have happened under the watch of Canadian companies operating abroad.



GOLD EXTRACTION

The method small-scale miners around Porgera usually employ to process ore-bearing rock is to crush it into a dust, wash as many undesirable rock particles out of the dust as possible, and then pour mercury into the remaining material. The mercury binds to any gold present in that

material, creating a gold-mercury amalgam that excludes everything else. Miners then cook this amalgam over an open flame, causing the mercury to turn into vapor and escape into the air. The miners are left with pure gold, which they can sell on the open market.



A family eats breakfast before going to pan for gold in the mine's tailings. Around Porgera, the dangerous method of separating mercury from gold is often carried out inside people's homes—in some cases using the same utensils families use to prepare food. This exposes them, their families, and the communities around them to a very high risk of mercury poisoning.



RED WATER AND SPRAWLING WASTE DUMPS

A ton of ore-bearing rock yields only a tiny amount of gold. The remaining material is processed into tailings—a waste product made up mostly of rock, heavy metals, and trace elements of chemicals like cyanide that are used to extract the gold. PJV produces roughly six million tons of liquid tailings every year and discharges them into the nearby Porgera River, staining its upper reaches a rusty red color.

The mine has also spawned three vast dumps of waste rock—stone with such low quantities of gold ore that it is not economical to process—and these have buried huge tracts of bush, forest, and farmland as they grow. The expansion of the mine and its sprawling waste dumps has greatly reduced the amount of land available to adjacent communities for cultivation and living space.

Members of the local community, including children, illegally mine for ore-bearing rock near the tailings discharge point.





Trucks dump rocks onto one of the PJV waste dumps.

RECOMMENDATIONS

TO BARRICK GOLD:

- Reduce the possibility for violent abuses by security personnel at the Porgera mine by following through on stated commitments to:
 - Create safe and easily accessible channels that community members can use to complain about allegations of abuse by Porgera Joint Venture (PJV) employees, including through the means described in this report;
 - Improving existing complaints channels based at least in part on independent expert advice;
 - Improving public outreach to explain complaints mechanisms and acceptable conduct by PJV personnel.
 - Consulting and responding to independent expert advice on obstacles that prevent women from reporting incidents of sexual violence.
 - Implement more rigorous monitoring of PJV security personnel, including through the means described in this report:
 - Installing a new tracking mechanism and control center to allow for closer monitoring of all active APD personnel in the field;
 - Expanding a network of infrared security cameras to allow visual monitoring of APD personnel on remote parts of the mine's waste dumps;
 - Installing cameras on all APD vehicles to help prevent abuses from taking place in or near the cars.
 - Improve channels that whistleblowers can use to safely and anonymously report any abuses by their colleagues at the Porgera mine.
- Make public the results of Barrick's ongoing investigation into allegations of rape and other abuses by PJV security personnel including any disciplinary action that results.
- Ensure that trainings for APD personnel and mobile police squads on human rights principles and the Voluntary Principles include specific sections on prevention and response to sexual harassment and violence.
- Increase recruitment, training, and support of female security personnel, particularly in supervisory roles, among the security staff patrolling the waste dumps and among those staffing the mine's on-site detention facility.
- Monitor and make public the number and nature of complaints received through grievance mechanisms at Porgera, the time required to resolve each case, and their outcomes.
- Ensure that newly established "women's liaison" office is provided with adequate training, staff, financial resources, and institutional support.
- Make public the study commissioned by Barrick in 2007 to examine alternatives to riverine tailings disposal at Porgera.
- Follow through on stated commitments to release the company's 2009 and 2010 environmental reports, and make those reports publicly available moving forward as a matter of routine company practice.
- Press the government of Papua New Guinea to thoroughly investigate abuses by mobile police officers during their eviction of residents of Wangima.
- Establish a viable institutional mechanism to oversee the conduct of all private security actors in Papua New Guinea, including the security force at the Porgera mine.

TO THE GOVERNMENT OF PAPUA NEW GUINEA:

- Make public the results of the police investigation into allegations of rape by PJV security personnel. Ensure that any perpetrators are fully prosecuted for their crimes.
- Permanently increase the regular police presence at Paiam town to a number and capacity adequate to deal with the area's many security challenges. Until this is done, commit resources adequate to sustain the mobile police deployment at Porgera without material support from Barrick.
- Improve access for victims of violence to medical, legal, counseling, and other support services. Health services should include access to post-exposure prophylaxis for HIV and emergency contraception.
- Launch an independent inquiry into allegations of abuse by mobile police squads deployed around Porgera, focusing especially on the forced evictions at Wangima in 2009. Make public the results of that inquiry.
- Make public the final report of the government-sponsored 2005 inquiry into killings at the Porgera mine.
- Identify an independent group qualified to carry out a rigorous epidemiological study to assess the likely current and long-term health effects of mercury use by small scale and illegal miners around Porgera. Seek assistance from international donors to move this process forward.
 - Release all past environmental reports submitted to the government by PJV since 1990.
 - Carry out a sustained effort to educate the population around Porgera on the health effects of mercury, as well as safer methods of mercury use than those currently employed by most small-scale and illegal miners in the area.

- Provide the hospital in Paiam town with the equipment it needs to screen patients for possible mercury poisoning.
- Withdraw government support from efforts to amend the Environment Act and to restrict the powers of the Ombudsman Commission, and explicitly oppose those efforts moving forward.


TO THE GOVERNMENT OF CANADA:

- Introduce legislation to implement the full range of recommendations from the 2007 National Roundtables on Corporate Social Responsibility and the Canadian Extractive Industry in Developing countries, including the creation of an independent ombudsman's office to investigate allegations of abuse. As part of this, introduce a regulatory framework sufficient to give the government power to sanction and publicly report on Canadian companies that fail to meet minimum human rights standards in their overseas operations.

TO THE GOVERNMENTS OF CANADA, AUSTRALIA, AND OTHER DONOR STATES:

- Offer to fund an independent group to carry out a rigorous epidemiological study to assess the likely current and long-term health effects of mercury use by small scale and illegal miners around Porgera.
- Provide financial support for the long-term development of local groups in Papua New Guinea with the capacity for independent monitoring of violence by the police or private security squads, for women's rights and health organizations providing support services such as emergency care and legal aid, and for helping victims to navigate the public complaint process.





After a day of illegally panning for gold in the mine's tailings, a young boy is covered with residue from the liquid mine waste.
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