

The mining industry
is one of the planet's
biggest polluters.
But Echo Bay had another
dirty little secret.
It was funding Al Qaeda–linked terrorists.



THE COST OF DOING

BY MARILYN BERLIN SNELL

"If you harbored a terrorist, if you fed a terrorist, if you hid a terrorist, you're just as guilty as a terrorist."—President George W. Bush, February 2002

WHEN KAPITAN INGGO WALKED THROUGH THE GATES at Echo Bay's mining operation in the Philippines, he bypassed the reception area and went round the building to the offices of the security personnel. He didn't ask directions. Inngo, one of the Philippines' ten most-wanted men, knew his way around.

Allan Laird, the newly appointed project manager at the Kingking gold and copper mine, was in a warehouse when he saw the unfamiliar man walk by. A Filipino employee told Laird that the man was a murderer who specialized in extortion and the kidnapping of businessmen for ransom. There was a one-million-peso bounty on his head.

Laird had a crisis on his hands: Two board members from Echo Bay Mines Limited—a Denver-headquartered, Canadian-chartered company—were at a nearby hotel preparing for a site visit. Laird had to head them off. He raced to the hotel and found the men having breakfast with his Denver-based supervisor. "I told them not to come down to the offices because we had a security situation—Kapitan Inngo was on the premises and we needed to get rid of him," Laird says. He thought it strange at the time that the directors reacted "with equanimity" to news that a notorious criminal was in Echo Bay's office complex.

Trained as an engineer and employed by Echo Bay for nine years, Laird had been assigned to the Kingking exploration project on the southern Philippine island of Mindanao only the month before. Prior to his arrival in August 1996, he had been informed that ore grades were low, projected development costs high, and disposal of cyanide-laced mine tailings problematic. But he did not

know about Kingking's security issues. "I was sent in blind," he says. "Superiors knew what I was getting into and didn't tell me."

What Laird found was a nightmare. From his first week on the job, when he stumbled across security-related expenses that had no receipts, he began to uncover a trail that led straight from the mining operation to the most violent terrorist organizations in the Philippines—two of which had direct links with Osama bin Laden's Al Qaeda. Laird later discovered that such liaisons were sanctioned by executives at Denver headquarters; in the years to come he also found out that the U.S. government refused to do anything about it. Why was the company so reckless? And why didn't the Justice Department use Laird's information to pursue terrorists around the globe? A two-month *Sierra* investigation of Echo Bay reveals how one mining company's greed in a far-off land can jeopardize our safety here at home. It also signals that mining companies, which have given millions to Republican politicians, may be a blind spot in President Bush's war on terror.

EVENTUALLY, THE GANGSTER LEFT KINGKING AND the visitors got their tour. A month later, the two board members submitted a project report on Kingking to Echo Bay's president, chairman, and other senior executives. The report laid out the costs and benefits of developing Kingking, and ended with explicit support for fraternizing with terrorists. Under the heading "Security and Social," the firm's leaders wrote: "The area is obviously one of political and physical volatility. . . . To not have a dialogue with the various bandits, terrorists, insurgents,

ABOVE RIGHT: AP/WIDE WORLD PHOTOS. BELOW RIGHT: ©CORBIS



BUSINESS

Echo Bay Mines aided the New People's Army (above) and the Moro Islamic Liberation Front (below), which has trained with Al Qaeda. The NPA and the MILF were labeled "terrorists" by the State Department in 1996. Opposite: Kingking mine headquarters.



patriots, or whatever nomenclature Denver wishes to put on the 'outside' groups, is to put the people on site, let alone the project, at risk. . . . Insurance and knowledge are things to be paid for. Until Head Office—to the most senior level—says 'I'll go there and do it' to not buy insurance is immoral and hypocritical."

On October 10, 1996, the day the directors' report was circulating in Echo Bay's Denver executive offices, a fire-fight broke out on Mindanao between one of the terrorist groups and government forces. Fatalities and injuries were reported on both sides. After the skirmish, Kingking security personnel provided shelter at the mine's guesthouse for the terrorist commander involved in the action.

"Instead of trying to take control of events," Laird says, "we allowed events to take control of us."

The Kingking exploration project covered more than 4,000 acres of steep slopes, thick forests, and tributaries emptying into the Kingking River. "It was rough country," acknowledges former Echo Bay board member Jack McOuat, one of the authors of the Kingking project report. "That was probably why it was good country for insurgents." In fact, the area had been politically violent for 25 years and was, for the most part, controlled by armed Muslim and Communist groups whose members numbered in the thousands. (McOuat, however, says he has "no memory" of the incident with Kapitan Inggog.)

"Mining is a funny business," McOuat says. "If you think you're out there to hit the home run"—by striking rich veins of gold—"you tend to be willing to accept some physical risk. Your tolerance level is better than, let's say, a chartered accountant's might be."

To manage such risks, Echo Bay's security personnel regularly met with insurgent commanders. Sometime in 1995, the company's security staff began trading cash, supplies, and, in several cases, weapons for intelligence and good "community relations." For Echo Bay, whose senior executives were awarded hefty bonuses for bringing in new foreign projects, giving terrorists money, food, and matériel became an everyday part of doing business.

Two former Denver-based Echo Bay executives, both of whom spoke on condition of anonymity, have confirmed that Laird sent alarming updates and queries from the Philippines—trying to find out who was supplying the funds and how, exactly, they were being spent on the ground. One said Laird's questions were of "serious concern" to him, but that he was stonewalled when he tried to pursue the matter with more-senior executives. The other executive explained that by the time Laird landed in the Philippines, "security was there, was in place, and kind of reported around us"—to more-senior executives.

In a 1998 civil complaint against Echo Bay on an unrelated matter, Robert Wunder, a former Echo Bay senior vice president of project development, claimed that "senior management was repeatedly informed that . . . there were enormous security problems (which on-site management had been attempting to alleviate, in part, by making substantial pay-

offs to government officials and anti-government insurgents)." When deposed for the case, Echo Bay president Richard Kraus evaded questions about terrorists but admitted he was aware of the security problems at Kingking. He insisted, however, that "the company acted in a responsible way to take appropriate measures to safeguard our people."

Laird counters, "The methods sanctioned by Echo Bay increased the security risks. One does not prevent a nuclear proliferation by supplying enriched uranium. Who in their right mind would get involved with an insurgency?"

The area around Kingking was controlled by the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF). Filipino Muslims, whose religion predominates on Mindanao, have been called *moros* ("Moors") since the time of Spanish rule in the 17th century. Settlements of Catholic Filipinos had been growing on Mindanao since the 1940s, and in the '70s Muslims revolted, taking up arms against the Philippine government and demanding an independent Muslim state. In that decade alone, some 120,000 people were killed in the fighting.

THE RESOURCE CURSE

It's no coincidence that developing countries rich in gold and diamonds have the poorest populations. According to the Worldwatch Institute, "Mineral dependence has been shown to slow and even reduce economic growth in developing countries—a phenomenon economists have dubbed 'the resource curse.'" In Africa, for example, 60 percent of all private investment goes to the mining sector, and extracting raw materials for export provides no added value. Countries like the Philippines are left with a dwindling patrimony and a legacy of environmental degradation.

- Percent of the world's undeveloped forests threatened by mining: **40**
- Percent of the world's energy consumed by the mining industry: **7 to 10**
- Tons of acid-rain-causing sulfur dioxide emitted each year by the mining industry: **142 million**
- Estimated percent of the world's gold production that will come from indigenous people's lands between 1995 and 2015: **50**
- Average tons of waste generated at a mine site to produce a single gold ring: **3**
- Percent of gold refined in 2001 that went to the jewelry trade: **82**
- Tons of toxic sludge released into the Philippines' Boac River by a Canadian mining company when its storage pit ruptured in 1996: **3 million**
- Tons of contaminated waste poured into Indonesia's Ajkwa River each year by the U.S. mining company Freeport-McMoRan, which is working one of the world's richest gold belts, on the island of Irian Jaya: **70 million**
- Percent of world gold separated from waste ore by cyanide heap-leaching: **85**
- Dose of cyanide that will kill an average adult: **1 teaspoon of 2 percent cyanide solution**

SOURCES: THE WORLDWATCH INSTITUTE, THE MINERAL POLICY CENTER, AND GREENPEACE INTERNATIONAL

► **ON THE WEB** To find out about the consumer campaign against the gold-mining industry, visit www.nodirtygold.org. For more on the environmental and social costs of mining, visit www.mineralpolicy.org, www.globalminingcampaign.org, or Project Underground at www.moles.org.



Abu Sayyaf: Paying off this group, which received funding from Al Qaeda in the early 1990s, was just good “community relations.”

In late 1996 the government agreed to create an autonomous Muslim region. The MNLF was satisfied and put down its arms, but the more radical MILF, which had between 35,000 and 45,000 soldiers in the 1990s, has continued to fight for an independent Islamic state based on an extremist interpretation of Koranic principles, similar to Afghanistan under the Taliban. The group frequently clashes with the Philippine military and engages in guerrilla warfare, bombing, and kidnapping.

According to Zachary Abuza, a Southeast Asia terrorism expert and professor at Simmons College in Boston, the MILF is believed to have had ties to Al Qaeda since the early to mid-1990s. In 1996, when it became difficult to get foreigners into its Afghan training camps because of increased scrutiny, Al Qaeda started moving operations south and eastward, dispatching trainers to already established MILF camps in the lawless areas of Mindanao. “The central government doesn’t control large portions of Mindanao, and the Philippine borders are porous, so it’s a good place to launder identity and set up training camps,” says Abuza. He also notes that Al Qaeda was adept at blending in. “Its operatives across Southeast Asia married into families,” he explains. “Osama bin Laden’s brother-in-law Mohammed Jamal Khalifa came to the Philippines in 1991, set up businesses, and married the sister of a leading MILF political officer. The operatives worked their way into the community very well.” According to CNN’s Jakarta Bureau Chief Maria Ressa, in her book *Seeds of Terror: An Eyewitness Account of Al-Qaeda’s Newest Center of Operations in Southeast Asia*, these financial and familial support networks paid off. “Every single major al-Qaeda plot since 1993 has had some link to the Philippines,” including, she writes, “the 1995 Manila plot to bomb eleven U.S. airliners over Asia . . . the 9/11 attacks in 2001 . . . and the Bali blasts” that killed more than 200 people in a nightclub in 2002.

Other terrorist organizations haunted Mindanao as well. The radical Islamic group Abu Sayyaf (meaning “sword bearer” in Arabic) was made up of dissident MNLF soldiers,

had funding links with Al Qaeda, and was active near the Kingking concession. It, too, was pushing for an Islamic state, using tactics that included ambushes, bombings, kidnappings, and executions. The New People’s Army, or NPA, which had been fighting since the 1970s for communist rule, also operated in the area. Its armed strength is estimated at over 10,000. Labeled a “terrorist group” by the U.S. State Department in 1996, the NPA is seen by the Philippine government as a greater threat than even the extremist Muslim groups. (Abu Sayyaf and the MILF were also labeled terrorist groups by the State Department in 1996.) Joining this dubious company in the hills around Kingking was the Lost Command, a splinter group of former MILF soldiers led by Kapitan Inggco. (Several months after his visit to the Kingking offices, Inggco, aka Karsolo Abubakar, was killed by police.)

How did Echo Bay become linked to these terrorist organizations? One bad decision at a time.

*“See, sons, what things you are!
How quickly nature falls into revolt
When gold becomes her object!”*

—Henry IV, Part II

IN ITS 1996 ANNUAL REPORT, ECHO BAY SHOWED OFF a new triangular logo with planet Earth at its center. According to the company, the symbol represented “the ethical core at the heart of everything we do.” But on that planet—a place on Mindanao invisible to the shareholder—was a project that revealed a different reality.

When a small-scale Canadian mining company, Toronto Ventures Incorporated (TVI), approached Echo Bay in early 1995 about partnering to develop Kingking, Echo Bay was interested for two reasons. First, its president, Richard Kraus, had recently announced an ambitious strategy to move the company from a mid-tier gold-mining operation into the top tier, producing more than one million ounces

of gold per year. Referred to by employees as “Echo Bay 2000,” Kraus’s five-year plan envisioned an international expansion of development properties along “the major gold belts of the world.” The Philippines, estimated to be second only to South Africa in average gold reserves per square mile, was a jewel on one of those gold belts, and Echo Bay wanted it.

Second, the Philippine government was giving it away. Racked by debt and desperate for foreign investment, the Philippines passed a mining code in 1995 that amounted to a fire sale of the nation’s riches. The act “streamlined” the environmental-permitting process, allowed 100 percent

“THE METHODS SANCTIONED BY ECHO BAY INCREASED THE SECURITY RISKS. WHO IN THEIR RIGHT MIND WOULD GET INVOLVED WITH AN INSURGENCY?”

foreign ownership, gave tax holidays and easy repatriation of all profits, and guaranteed against expropriation by the state. The industry-oriented *Mining Journal* described the legislation as “among the most favorable to mining companies anywhere.” Extractive interests from around the world staked out about 40 percent of the nation’s land area in the act’s first two years.

Many in Echo Bay’s technical group didn’t like the looks of Kingking, arguing that its complex metallurgy, unstable soils, and torrential seasonal rains made the project a losing proposition. The business side, however, overruled the geologists and engineers. In October 1995, Echo Bay purchased a 75 percent stake in the mine, with TVI retaining the rest.

From the beginning there was trouble. Almost immediately upon arrival in October 1995, the first project manager, Bob Gilroy, fired off a red-flag memo to Denver. “The property has a violent history,” he began. “[The previous owner’s] camp has been burned, drills burned, truck attacked, people shot and killed. . . . We have been approached indirectly by the NPA to pay \$10,000 to secure safe passage to the site. . . . The issue of ‘contributions’ must be addressed as a policy issue. . . . It is obvious that we have inadequate

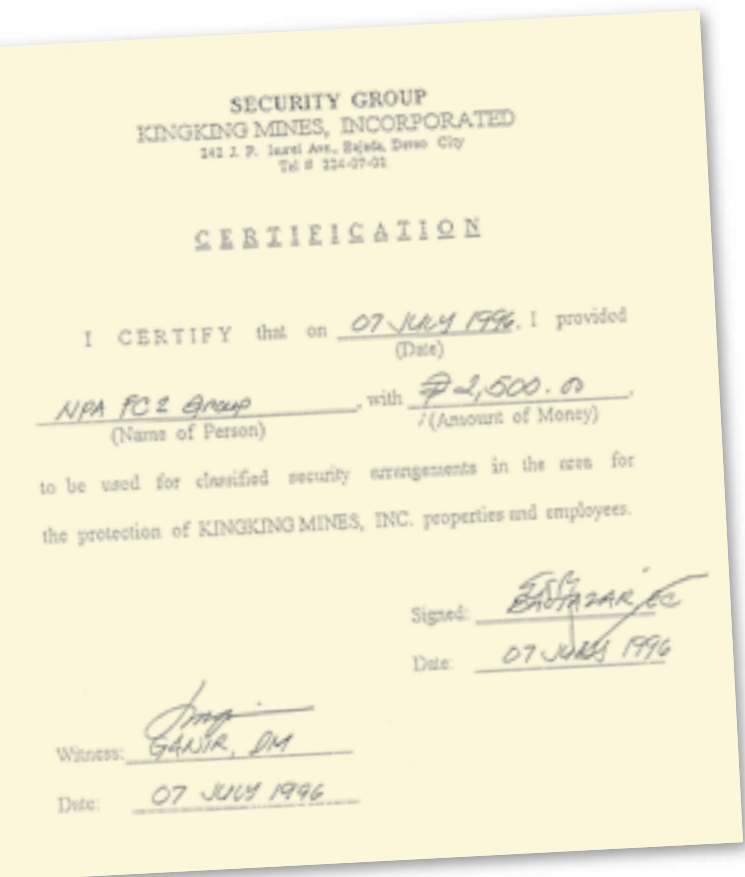
knowledge or experience to proceed until expert analysis and advice is obtained.”

The expertise arrived several weeks later in the form of a report written by the Control Risks Group, one in the burgeoning category of companies paid to tell multinationals what they’re getting into abroad. The report stated that the New People’s Army would almost certainly demand “revolutionary taxes”—a modern version of Mafia protection rackets. “Companies that fail to pay the full amount are liable to be attacked,” the report said, adding that the property’s previous owners “are believed to have paid NPA taxes,” and that attacks in 1993 and 1994 “were attributed to them not paying the full amounts demanded.” The section ended by suggesting that if Echo Bay refused to pay, “the NPA has the capability to launch raids against the company, to destroy equipment and to halt operations in the area.” The report also warned of attacks by the MNLF, the MILF, and Abu Sayyaf, and concluded by saying that “the best security for Echo Bay’s operations will be a friendly local population.” Instead of cutting its losses and getting out, Echo Bay opted to protect its investment.

Within three months of the Control Risks report, Echo Bay’s security team contacted the terrorists and started developing “information sources.” The conduit was Kingking’s own Filipino security personnel, most of whom were ex-military. Chief of security Eul Baltazar was a former colonel who had been involved in an attempted coup against President Ferdinand Marcos in the 1980s. When the coup failed, he and other military men fled into the hills of Mindanao. Over time they developed ties with the insurgent groups operating there. Baltazar and others took the amnesty offered by the government in 1994 and came on board the Echo Bay operation in 1995. “They could get doors opened,” Gilroy says.

In March 1996, Gilroy quit (“It was time to pursue new opportunities,” he says), and was replaced by Mervyn Hempenstall, who had run a catering service prior to being hired as a consultant by Echo Bay, and who had no mining experience. According to records discovered by Laird in a closet at the mine site, Kingking security met repeatedly with and provided money and supplies to every major terrorist group operating in the area. One Kingking security report, containing information given to Laird by his Philippine staff several months into his tenure, hinted at the extent of the relationship. Between March and Laird’s arrival in August—a period in which Hempenstall was project manager—there were no fewer than 23 meetings between terrorists and mine security personnel. For example, the security records state: “4/09/96—NPA/Abu Sayyef—meeting/supplies/money”; “4/30/96—MILF—meeting/supplies/money”; “5/25/96—MILF/Abu Sayyef—meetings with leaders/money.” According to these reports, on April 24, 1996, Echo Bay security personnel even attended, along with foreign-trained MNLF fighters, a joint “graduation” of “new recruits” hosted by the MNLF and MILF at an undisclosed location.

Hempenstall, who stayed on as a consultant and de facto



One of the many documents in Allan Laird’s possession that show payments for “classified security arrangements”—in this case to the terrorist New People’s Army. The document is signed by Kingking’s security chief, Eul Baltazar, and witnessed by his assistant Dante Ganir.

security director for five months after Laird's arrival, acknowledges and defends the liaisons, but denies that money or guns ever changed hands. "All we ever gave [the insurgents] was rice and sardines," he says.

Laird counters that responses to "requests for food and 'humanitarian assistance' were always provided to security personnel in cash. There was no control after the cash was given. It was entirely up to security how it was disbursed." He adds that he did what he could while project manager to shift funds into legitimate community-development projects, including rudimentary healthcare, flood relief, and school repairs. "But I was being told by security that we needed to make payments," Laird says. "I said no, but then they'd come back later and tell me that they had made the payments anyway." In February 1997, for example, there were "security donation expenses" to insurgent groups that amounted to \$29,804. For September 1997 the amount was \$116,914.

For comparison purposes, the bombing in Bali, Indonesia, cost the terrorist network Jemaah Islamiya \$35,000 (the group is thought to have links to both Al Qaeda and the MILF), according to terrorism expert Zachary Abuza. The September 11 attacks ran Al Qaeda \$500,000. Laird estimates that over the course of the project, Echo Bay paid in excess of \$1.7 million to terrorist groups on Mindanao.

Laird says that he submitted activity reports outlining the payments and meetings with insurgent groups to department heads throughout the company—and sent far more explicit e-mails to superiors in Denver—because he wanted help in stopping the payments. Less than a month into his job as project manager, for instance, he wrote Echo Bay's corporate controller: "We are significantly overspent in areas not related to exploration.... The practice of large non-liquidated expenses is being investigated. By and large the bigger amounts, outstanding for the longest period, are related to 'Security Expenditures,' which are money, supplies and in many instances weapons for insurgents.... There is no doubt that this project needs strong community support for its operations and overall security, but it should not be at the expense of operating outside the law."

He also wanted to leave a paper trail. "My plan was to say, 'I'm not hiding any of this; I'm getting this in front of



Moro National Liberation Front soldiers controlled areas near the mine. Echo Bay security reports indicate that company personnel attended a terrorist-training-camp graduation ceremony along with foreign-trained MNLF fighters.

people who are responsible for making ultimate decisions and can recognize what's taking place.' "

The response? "No one denied this was happening," Laird says. But they either didn't respond or asked him to be more circumspect.

"I don't believe there's many shades of gray in this war. You're either with us or against us; you're either evil or you're good."

—President George W. Bush on the war on terror, February 2002

ALLAN LAIRD WAS BORN TO SCOTTISH PARENTS IN AN industrial north England town, but in 1999 he became a U.S. citizen. In his first presidential election, he enthusiastically voted for George W. Bush. Now 62, Laird has a well-trimmed salt-and-pepper beard, a lilting accent, and time on his hands. He was laid off in 2003, when Echo Bay merged with Kinross Gold (which assumed Echo Bay's liability). During a recent visit with Laird and his wife, Arneille, at their comfortable two-story home in south Denver, I noted a clicking sound coming from their heating system. Like a typical engineer, Laird took many minutes to explain the function of an electrostatic thingamajig that zaps dust particles from the air.

The couple's gray cat is distrustful of strangers and named Lovely, after Laird's secretary at Kingking. The cat isn't the only piece of the Philippines that stays with him. He provides me with documents—internal memos, security reports, e-mail exchanges between him and his superiors in Denver—and talks about his 14-month ordeal as Kingking's project manager, which ended in September 1997, a few days after the third credible kidnapping threat against him was discovered. The entire project came crashing down shortly thereafter: Echo Bay took a \$50 million loss and

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THE BOMBING IN BALI COST THE TERRORIST NETWORK JEMAAH ISLAMIYA \$35,000. THE SEPTEMBER 11 ATTACKS RAN AL QAEDA \$500,000. LAIRD ESTIMATES THAT ECHO BAY PAID IN EXCESS OF \$1.7 MILLION TO TERRORIST GROUPS ON MINDANAO.

abandoned the Philippines. (It topped *USA Today's* "10 Worst Stocks" list for 1997.)

When Laird returned to Denver that fall, he wrote an end-project report that he says he hand-delivered to Robert Leclerc, Echo Bay's chairman and CEO. "There was little or no control over community development funds and inappropriate payments were made to regional terrorist organizations, including those supported by Osama bin Laden," he wrote.

Leclerc did not comment on the report but Laird's immediate supervisor, John Antony, did. "I received and understood completely your [Kingking] Project 'Observations,'" the e-mail said. "However, you need to be more discreet in some of your observations . . . and [in] the distribution of such a report which could be incriminating under certain scenarios."

That defensive mindset was underscored after the devastating attacks on the World Trade Center and the Pentagon. "Shortly after September 11, 2001, I met with Robert Leclerc and again reviewed the acts we committed in the Philippines," Laird says. "I believed the information should have been provided to the U.S. government to help in dealing with terrorism. However, he declined to take any action."

Laird adds that before he left the meeting, Leclerc said that he expected Laird to turn over all the information he had on the Philippines. Several months passed—employees were caught up in preparations for the merger with Kinross—but in April 2002 Laird handed over the originals of the Kingking documents to Echo Bay's corporate secretary, who was a close ally of Leclerc's. In response, the secretary wrote Laird: "On April 12 you sent me an email with respect to Kingking files and then forwarded me an envelope of materials. Bob [Leclerc] and I discussed the materials and I have disposed of them. I think the files were thoroughly purged."

Leclerc is now a consultant living in Palm Desert, California. He denies speaking with Laird about the Philip-

piners' terrorists in a post-September 11 meeting or asking him to hand over the documents, and he calls the very idea a "fiction" and "absolutely insane." In fact, he denies any knowledge at all of Kingking's security issues during Laird's tenure, even though his name appears on the routing list of internal documents that candidly detail the nature of the threat faced by Echo Bay personnel. "There is not a single thing that this company would even consider hiding, concealing, or falsifying," Leclerc says. When confronted with the e-mail from Echo Bay's corporate secretary, he suggests that "disposed of" and "purged" did not mean "destroyed."

After the September 11 attacks, Laird couldn't bring himself to leave the firm, but his conscience continued to bother him, he says. He was finally moved to contact authorities outside the company after Abu Sayyaf beheaded American tourist Guillermo Sobero, who was kidnapped in the Philippines along with the American missionaries Gracia and Martin Burnham in 2001 (Martin Burnham died in a police rescue attempt), and the subsequent deaths of American Special Forces during the search for Abu Sayyaf fighters on Mindanao.

In April 2003, Allan and Arneille Laird met in Denver with Special Agent Matthew Peterson of the Department of Homeland Security. The two provided a general summary of Echo Bay's activities in the Philippines and a 1996 memo from Laird to his boss that contained weekly security reports and accounting records of payments to insurgents. Laird says he offered to hand over the rest of the documents—"all told, more than an inch thick"—but Peterson never asked him to forward them. Laird also contacted his congressman, Tom Tancredo (R-Colo.), during this period and provided him with the same summary. And then he waited.

He had good reason to believe they might jump on the case. Since the October 2001 passage of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act (USA PATRIOT Act), various individu-

als and front groups have been charged with terrorism-related crimes by Attorney General John Ashcroft's team of U.S. Attorneys. As recently as January 21, 2004, for example, the United States indicted a Canadian citizen of Somali descent, who lived in Minnesota, for attending an Afghan training camp in 2000. According to Jeffrey Breinholt, coordinator of the Terrorism Financing Task Force at the Department of Justice, as of the end of February 2004, 57 individuals had been charged with crimes involving material support for terrorist organizations. ("Material support," or "providing something of value" to terrorists has been a crime since 1994, but its definition was broadened in 1996 and again under the PATRIOT Act.) Breinholt adds that three entities have also been charged by the DOJ with financially aiding terrorists: InfoCom, Help the Needy, and Benevolence International Foundation. In the InfoCom case, four Palestinian brothers are accused of using the Texas computer firm as a front for the militant Islamic group Hamas. Help the Needy and Benevolence International Foundation were both Muslim charities accused of illegally sending money to suspected terrorist groups.

But no mining companies or other non-Arab-related enterprises were on the list. Why? Political influence may be one reason. According to Federal Election Commission documents compiled by the Center for Responsive Politics, in the 2000 election cycle the mining industry gave more than \$6 million, 86 percent of it to Republicans. Echo Bay Mines Limited was a partisan giver as well. In 1995 and 1996, the company contributed \$22,500, all of it to Republican causes.

On January 8, 2004, Laird received an e-mail from Special Agent Peterson. "With regard to our investigation, I spoke with the US Attorney's Office, District of Colorado. . . . Based on the information I was able to gather, we have determined that the statute of limitations has tolled on all violations alleged. Due to this, there is no prosecutive venue available even if the allegations were proven."

Jeff Dorschner, spokesperson for the U.S. Attorney's Office in Denver, says his office does not discuss "declinations," so it's impossible to know the full reasoning behind the decision. But it's puzzling, especially since DOJ headquarters in Washington has a different interpretation of the statute of limitations as it relates to material support to terrorists. According to DOJ spokesperson Bryan Sierra, the PATRIOT Act extended the statute of limitations for financial crimes like material support from five years to eight. More important, "Any conduct that occurred four years and 11 months prior to the PATRIOT Act would not be time barred for another three years," he says. This means that payments to terrorists from November 1996 on may be prosecuted up to eight years after they were made. The bell has not yet tolled on Echo Bay.

Echo Bay Mines Limited has morphed into Kinross Gold; its executives scattered to different companies on different continents. Echo Bay's junior partner at Kingking, TVI, remains in the Philippines, with six properties on Mindanao alone. One, on the western side of the island, has seen bitter struggles between the company and indigenous communities that accuse it of polluting ancestral lands and waters. TVI has other problems at this mine site as well. In 2002, MILF soldiers attacked a company truck, killing 13 people, including women and children, and wounding 12. According to the *Edmonton Journal* in Alberta, Canada, "TVI denied reports that MILF rebels were extorting money from the firm, although it acknowledged the threat of extortion is a risk of doing business in Southeast Asia."

The world is cinched by gold belts like the one on Mindanao. Companies from the United States and elsewhere continue to operate along them in the Philippines, but also in Indonesia, Africa, and the former Soviet Union—areas where extremist groups are active, and gaining power. ■

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