

Chloe's Blood Diamond

Angola Rock sold for \$16 million to GUESS Jeans Founder

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A huge flawless white diamond was sold on November 14 for nearly 18.2 million Swiss francs (\$16.21 million) to Guess Jeans founder Georges Marciano, who named it the "Chloe Diamond" after his daughter, Sotheby's auctioneers said.

While the hot Chloe rock is certified as a "clean" diamond, it was purchased from Angola's state mining company, Endiama, a company involved in blood diamonds. No rock of desire of this stature—84.37 carats—comes out of Africa without organized bloodshed and suffering behind it.

"For the past 20 years, bloodshed and diamond mining have been two sides of the same coin," said Rafael Marques, a human rights activist from Angola, "violence being explained either in the name of war or of combating illegal activities."

Marques gave a lecture titled "Rinsing the Blood from Angola's Diamonds" at Oxford University Africa Society in January 2007. "Today, I am here to share with you a reality of blood, and contempt for human rights, in the diamond fields [of Angola]."

Angola's state firm Endiama is tied to the Lazare Kaplan diamond company owned by the Israeli-American Tempelsman diamond cartel. Maurice Tempelsman's diamond interests were established in the Congo in the early 1960's with the help of the CIA.

Sotheby's luxury conglomerate identified the seller of the "Chloe" diamond as Ron Cohen, chief executive officer of Los Angeles-based company Clean Diamonds Inc. "The stone was from Angola," Ron Cohen reportedly told Reuters. "It has gone through the Kimberley Process and has all the certificates, it is a clean diamond."

Most media reports described Ron Cohen "as CEO of Clean Diamonds Inc. of Los Angeles," but Reuters identified Cohen as an Israeli diamond dealer. The company "Clean Diamonds Inc." is not found in the U.S. Securities and Exchange Commission database. Clean Diamonds Inc. also lists New York and Belgium operations on its web site.

"The Kimberley Process is an organization set up by the diamond industry expressly to police trade in gems," reported Reuters, "to prevent so-called 'blood diamonds' used to finance rebel groups and civil wars from coming on the market."

However, Reuters is a mainstream international news service that supports the diamond industry by covering up crimes and structural violence that keeps Africa poor. Reuters de-links the suffering and bloodshed caused by diamond cartels in major diamond producing countries like Angola, Sierra Leone, Congo, Namibia, Botswana, Liberia, Central Africa

Republic, and South Africa.

At the 2007 Oxford event, Rafael Marques described the response of the diamond industry to accusations of atrocities. "There have been shifts by the central and local authorities to address the accusations, either for damage control or simply to make more sophisticated the methods of abuse by outsourcing violence to private security companies," he said.

The brilliant-cut "Chloe" diamond, which weighs 84.37 carats, is the second most expensive stone ever sold at auction. Sotheby's press releases describe how Cohen held the 385-carat rough stone in his hand two years ago, before it was cut, when he allegedly bought it from Endiama.

BLOOD DIAMOND CARTELS

Sotheby's is another company involved in blood diamonds. In 2005 Sotheby's partnered up with the Israeli-American Steinmetz Diamond Group to form Sotheby's Diamonds. Beny and Danny Steinmetz of the Steinmetz Group are partnered with Dan Gertler, a new White House insider considered the unofficial "Ambassador" to the Democratic Republic of Congo, a country cursed by diamonds and other minerals, where at least seven million people have died since 1996.

Sotheby's sold 385 gems at the auction, for a total of 64 million Swiss francs, many being diamonds from the blood diamond economy. With the "Chloe" diamond sale the 2007 total for "Magnificent Jewels sold at Sotheby's Switzerland" hit \$106,019,622. French billionaire Francois Pinault owns Christie's (London) and Sotheby's (Delaware).

The Steinmetz/Gertler partnerships between them have controlling interests in Dan Gertler Industries, Steinmetz Global Resources, Nikanor and Global Enterprises Corporate (GEC), companies with massive diamond concessions in Kasai, and copper/cobalt concessions in Katanga, two provinces in the Democratic Republic of Congo.

The Israeli-American diamond cartels involved in Congo are seeking to displace the diamond interests in Angola run by Israel-American Lev Leviev and Maurice Tempelsman, top-level partners of the Angolan state diamond companies.

Belgian-born Maurice Tempelsman has a long and bloody history in Africa. When Congo's first Premier, Patrice Lumumba, pledged to return diamond wealth back to the newly independent Congo in the early 60's, Tempelsman, who began with De Beers in the 1950's, helped engineer the coup d'etat that consolidated the dictatorship of 29 year-old Colonel Mobutu, and the coup against Ghana's Kwame Nkrumah; diamonds were at stake in each.

"I believe this was the beginning of what we now know of as conflict diamonds in the Congo," says blood diamond expert and investigative journalist Janine Roberts, author of the book *Glitter and Greed: The Secret World of the Diamond Cartel*. "From then on diamonds would be extensively used to discreetly fund wars, coups, repression and dictatorships, in Africa."

Maurice Tempelsman is Chairman of the American Jewish Congress, a Zionist pressure group that claims it works closely with the Israeli military. SEC filings show that LKI directors are high-rolling Zionist lawyers and investment bankers: one director belongs to the law firm that once represented President Kennedy—another Tempelsman friend. LKI is also

connected to the euphemistically named United States Agency for International Development (USAID).

The Tempelsman empire remains rock solid behind Leon Tempelsman & Sons, De Beers, and Lazare Kaplan International—supplier of Tiffany’s and Cartier’s diamonds.

THE KIMBERLEY SCANDAL

In 2003 the “international community”—a conglomeration of Group of Eight (G-8) executives “partnered” with the diamond industry—established a formal mechanism ostensibly to control the flow of conflict diamonds. The United Nations mandated Kimberley Process is a voluntary self-regulation scheme where the industry crafts ‘passport’ documents certifying all stones as conflict free.

Also in 2003 the international World Diamond Council was created by the diamond industry and the U.S. Congress passed the “Clean Diamond Act.” These three formal processes falsely assure consumers that more than 99% of rough stones today come from conflict-free sources.

Since at least 1996, the campaigns of Russ Feingold (D-WI), who co-sponsored the Senate version of the U.S. “Clean Diamond Act” passed in 2003 have been heavily funded by Leon Tempelsman & Son.

Late in 2006, as the Christmas diamond rush was approaching, the film *Blood Diamond* starring Leonardo DiCaprio provoked the World Diamond Council to launch a blitzkrieg advertising campaign—full-page ads in the *New York Times*, *USA Today*, *Los Angeles Times*, the *International Herald Tribune*—touting the self-policing successes of the Kimberley Process. The campaign was presumably coordinated to counter the supposed “negative publicity” of the *Blood Diamond* film.

The Kimberly Process was launched under the narrow definition that “conflict diamonds” only originate from conflicts between ‘rebels’ and ‘governments’: it refers to smuggling by militias antagonistic to ‘legitimate’ member governments.

After the film *Blood Diamond* opened in the U.S., diamond sales were never been better.

“I’m wearing diamond ear rings today because they are conflict free,” actress Jennifer Connelly, who stars in *Blood Diamond*, reportedly said. “It would be fantastic if some of these natural resources benefited more people but until that can happen we can certainly make a stand and insist that the diamonds we wear are conflict free, which doesn’t mean boycotting diamonds. It just means making sure we support a more accountable Kimberly Process.”

ENDIAMA’S BLOODY DIAMOND FIELDS

Artisanal diamond miners in Angola called *artisanos* or *garimpeiros* are forced into ‘illegal’ mining because Angola’s mining security companies push people off their own land. While agriculture and commerce in the region require the direct authorization of the Provincial Governor, not one *artisanso* has been granted a license for diamond exploration or subsistence agriculture. The ‘legitimate’ government of Angola forces desperate people to resort to ‘illegal’ activities to survive but according to Rafael Marques, *garimpeiros*

contribute more to the profits of some of the state diamond mining firms than big industrial operations.

Three private military companies (PMCs) have been targeting garimpeiros in Angola. The mercenary firms Alfa-5, Teleservices, and K&P Mineira defend Angola's big name diamond firms like Sociedade de Desenvolvimento Mineiro (Sodiam), Sociedade Mineira de Cuango, and Sociedade Mineira Luminas. Human rights researcher Rafael Marques has recently documented more than 50 cases of PMCs arresting, beating and torturing garimpeiros. They stop garimpeiros from fishing in their rivers, growing their own food, or living traditional lives; they have forced sexual relations on family members, including same-sex rape and sodomy.

The PMCs operate behind Angola's public diamond company, Endiama, and have exclusive rights to Angola's diamonds. Endiama owns 99% of shares in Sodiam, which has a joint venture with Lazare Kaplan International (LKI) of the Israeli-American Maurice Tempelsman family.

Sodiam works with the Russo-Israeli Lev Leviev Group. Endiama owns part of Alfa-5, one of the PMCs that exploit and torture garimpeiros. Alfa-5 and K&P Mineira provide security for ASCORP—the Angola Selling Corporation—another Angolan monopoly.

One of ASCORP's controlling investors, Lev Leviev, runs a global commercial empire that includes: Leviev Group of Companies; Lev Leviev Diamonds; Africa-Israel (commercial real estate in Prague and London); Gottex (swimwear) Company; 1,700 Fina gas stations in the Southwest U.S.; 173 7-Elevens in New Mexico and Texas; a 33% stake in Cross Israel Highway (Israel's first toll road); and more. Leviev partner Arcady Gaydamak, an arms dealer, also reportedly works with Danny Yatom, a former MOSSAD (Israeli secret service) chief and security advisor to former Israeli Prime Minister Ehud Barak. Leviev is connected to Russian President Vladimir Putin, and to Sandline International, a U.K./South African mercenary firm operating in the war-torn areas of Eastern Congo and Uganda.

While participants in the Kimberley Process complained of the criminality of UNITA, the infamous rebels once supported by the CIA, but they gave the "legitimate" Dos Santos government a sparkling bill of health. Angola exemplifies the process whereby an international certification scheme enforced by the United Nations rubber stamps boxes of rough stones according to their 'country of origin.' Stamped 'Angola' the public is assured that these diamonds are now 'conflict free,' because these nations are members of the Kimberley certification.

The Kimberley Process was partially instituted through the work of Robert Rotberg at Harvard University. Maurice Tempelsman chairs the International Advisory Council at the Harvard AIDS Institute (HAI) of the School of Public Health. Rotberg and Tempelsman shared a panel at the Council on Foreign Relations with people like Walter Kansteiner, National Security under Bill Clinton and current director of a gold company involved in Congo's bloody eastern zone.

Maurice Tempelsman was for decades the unofficial ambassador to Congo/Zaire; Dan Gertler has usurped that role. In 2000 Gertler was named Honorary Consul to the Congo. Beny Steinmetz may be the biggest De Beers "sightholder". Africa Confidential called President Kabila's 2003 visit to the Bush White House a "coup" for Gertler and Steinmetz. Gertler's best friend is Brooklyn-born Chaim Leibowitz, a personal friend of Condoleeza Rice.

BLOOD DIAMONDS ARE FOREVER

Tempelsman and Steinmetz bought diamonds from both sides during Angola's thirty-year war. Israeli diamond tycoons Gertler and Leviev are reportedly jockeying for power with Isabel Dos Santos, the high-rolling diamond-studded daughter of the President of Angola.

The Israel Diamond Exchange in Tel Aviv, which today brings Israel \$13 billion annually in commerce, and is the country's second-largest industry. Israel buys some 50% of the world's rough diamonds, and the U.S. buys two-thirds of these.

[Diamonds are Israel's top export.](#) In 2005 figures, exports to the EU totaled \$10.7 billion in 2004, including \$2.5 billion in diamonds (23.3%); exports to the US totaled \$14.2 billion in 2004, including \$7.3 billion in diamonds (51.4%); exports to Asia totaled \$7.1 billion in 2004, including \$3.2 billion in diamonds (45.0%); exports to the rest of the world totaled \$6.6 billion in 2004, including \$800 million in diamonds (12.1%).

Dan Gertler's grandfather, Moshe Schnitzer, is known in Israel as "Mr. Diamond," founder of the Israel Diamond Exchange in Tel Aviv. Moshe Schnitzer's son and Dan Gertler's uncle is Shmuel Schnitzer, Vice-Chairman of the Belgian-based World Diamond Council—the entity that promotes the false image of "clean" or "conflict-free" diamonds.

In June 2002, as the Kimberley Process was unfolding, Daniel Horowitz, CEO of IDH Diamonds, gave a speech at the 3rd World Diamond Conference titled "Rough Diamonds in a Brave New World." IDH works with Endiama, BHP-Billiton and De Beers, another of the big diamond cartels.

"Ladies and gentlemen, it would be irresponsible to circumvent the fact that it is highly problematic, if not unfeasible, to work out a system in order to control the flow of rough diamonds around the world," Horowitz said. "The reality is that once diamonds are mined there is almost nothing one can do in order to prevent them from reaching the market. No certification scheme can truly be reliable, not only because war-torn areas are by definition disorganized, but mainly because it is intrinsically impossible to distinguish between good and bad diamonds. Misguiding traders and consumers with untrustworthy guarantees would inevitably be demystified over time. As opposed to this, it is critical to publicize that the mainstream diamond trade is legitimate. It needs to be said again and again that conflict diamonds are an irrelevant portion of world production. And as far as humanitarian issues are concerned, the added value the industry generates worldwide particularly benefits the developing world."

Angola remains a war-torn country selling billions of dollars worth of diamonds annually. In the past four years the government of Angola has waged a permanent war against poor people, destroying thousands of homes and taking the land in mass forced evictions. People were beaten, tortured and arbitrarily arrested. At least 1000 people die in eastern Congo every day.

Millions of blood diamonds from past and current wars remain locked in the vaults of the Belgian, Russian, New York, London and Israeli diamond bourses to insure the artificially high, monopoly-fixed, prices of diamonds.

Rafael Marques outlined cases torture, brutalization and assassinations—cases of personal brutality he investigated—that characterize diamond mining by state firms in Angola today.

“Should one, after this brief explanation,” Marques asked, “say that the extraction of diamonds in Angola is OK? What the Kimberley Process, which was designed to drive blood diamonds out of the market, is doing is to rinse the blood from the gems, extracted in [Angola] and certify them as clean.”

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Rafael Marques, Rinsing the Blood from Angola’s Diamonds, Oxford University Africa Society, January 26, 2007.

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