



global witness

**Formal complaint regarding DLH's violation of FSC-POL-01-004 Policy for the Association of Organizations with FSC**

This complaint is submitted to the attention of the Director of FSC, Mr Kim Carstensen, Director of FSC.

The complaint is lodged against Dalhoff Larsen & Horneman A/S (Ellebjergvej 50 – 52, Building E, 4. floor DK-2450 Copenhagen SV Denmark) and its country offices and subsidiaries, involved in the trading of Liberian timber detailed herein, including DLH (Denmark), DLH (France), DLH Nordisk, DLH (Cote d'Ivoire). Global Witness does not possess information on the company structure of Dalhoff Larsen & Horneman A/S.

Addresses for DLH, its offices and subsidiaries listed on its website <http://www.dlh.com> (accessed 18/02/2014) are the following:

DLH Danmark A/S, Copenhagen  
Ellebjergvej 50 – 52, Building E, 4 floor  
2450 Copenhagen SV, Denmark

Dalhoff Larsen & Horneman A/S (DLH A/S) dba DLH Nordisk A/S  
Ellebjergvej 50-52, Bygning E, 4. Sal  
Copenhagen SV  
2450  
Denmark

DLH Danmark A/S, Kolding  
Nordkajen 21,  
6000 Kolding, Denmark  
Phone: +45 43 50 08 00  
Fax: +45 43 50 07 20

DLH France - Bouguenais  
Rue de l'île Botty, Z.I. de Cheviré – B.P. 70105,  
44101 Nantes, Cedex 4, France

DLH France - Frontignan  
1, Zone d' Activités de l'Ancien Pont, La Peyrade,  
34110 Frontignan, France  
Mailing address: B.P. 193, 34203 Sète - Cedex, France

DLH Cote d'Ivoire S.A  
01 BP 2648 Abidjan 01, Rue Saint Jean, Cocody, Rép. de la Côte d'Ivoire

DLH Nordisk Inc.  
3300 Battleground Avenue, Suite 210, Greensboro, NC 27410, USA

Addresses mentioned on export permits included below are the following:

Dalhoff Larsen & Homlan A/S (sic)  
Hafenstrasse/A  
Skagensgade 66, Denmark

DLH  
01 BP 2648 Abidjan 01  
Cote d'Ivoire

Dalhoff Larsen & Homeman (sic)  
DLH Nordish AS (sic)  
Skagensgade 66  
Denmark

DLH  
1, Zone D'Activite de l'Ancien Point  
34100 Frontignan La Peyrade France

Global Witness agrees that this complaint can be shared with the Defendant and other Parties to the Complaint.

Global Witness shall adhere to the terms and provisions of the FSC Complaints Procedure.

The complainant is Global Witness, 6th Floor, Buchanan House, 30 Holborn London EC1N 2HS, United Kingdom.

Signed,

A handwritten signature in black ink, appearing to read 'Simon Taylor', is written over a faint, circular official stamp.

Simon Taylor  
Director  
Global Witness



20 February 2014

**Formal complaint regarding DLH's violation of FSC-POL-01-004 Policy for the Association of Organizations with FSC**

**I. Summary**

During the course of 2012 Dalhoff Larsen and Horneman (DLH), one of the world's leading international timber and wood products wholesalers, bought timber worth \$304,870 from illegally allocated and operated timber concessions in Liberia. DLH imported the Liberian timber into Bangladesh, China and France.

Information was publicly available that should have alerted DLH and other companies to the serious risk that the concessions from which it was buying timber, known as Private Use Permits (PUP), were illegal. A reasonable step for DLH or any other timber purchaser would have been to contact organisations expressing concerns publicly – including the UN and NGOs – in order to make enquiries as to the relevance of the information for their purchasing. DLH should have investigated whether the timber it intended to source had been legally harvested, including examination of the harvesting permits and verification of compliance with applicable laws and regulations in Liberia. If it had done so, DLH would have discovered that PUP timber was illegal or highly likely to be illegal. By purchasing PUP timber, DLH has involved itself in the illegal timber trade and violated FSC-POL-01-004 Policy for the Association of Organizations with FSC. FSC should sanction DLH accordingly and relevant subsidiary companies accordingly.

**II. FSC Policy and Complaints**

Under Part 1, Clause 1a of FSC's Policy for the Association of Organizations with FSC (POL-01-004) (FSC Policy), FSC will only allow its association with organizations that are not directly or indirectly involved illegal logging or the trade in illegal wood or forest products.

Global Witness is availing itself of Clause 3.1 of this FSC Policy under which any stakeholder can file a formal complaint against an organization or individual that is suspected to be involved in any of the unacceptable activities as listed in Part I, Clause 1.

**III. DLH's violation of FSC policy**

DLH holds FSC "chain of custody" certification, under which it must declare that it is not involved in illegal logging or the trade in illegal wood or forest products.

The FSC Policy defines illegal logging as:

*Harvesting of timber in violation of any laws applicable in that location or jurisdiction including, but not limited to, laws related to the acquisition of harvesting rights from the rightful owner, the harvesting methods used and the payment of all relevant fees and royalties.<sup>1</sup>*

Global Witness sets out evidence herein which shows that DLH – the Denmark-based parent company and its subsidiaries – directly engaged in the trade in illegal timber harvested in Liberia, thereby involving itself in illegal logging activity contrary to applicable laws and regulations of the Republic of Liberia.

## **1. Evidence of DLH's purchase of timber harvested under Private Use Permits in Liberia**

On 13 February 2013 Global Witness found logs labelled as from the Liberian logging concessions PUP 3 and PUP 9 in the port of Nantes, France, in front of DLH France's warehouse. The labels read: "GLC; RL, PUP 3, I6" and "GLC; RL, PUP 9, N4," showing that the logs were cut by Global Logging Company (GLC) in the Republic of Liberia (RL) in PUP 3 and PUP 9, blocks I6 and N4 respectively.

Global Witness took the following photograph of the logs at the port of Nantes:



Official export permits and additional information supplied to Global Witness by SGS, which operates the chain of custody system in Liberia, show that during 2012 DLH, through its French, Danish and Cote d'Ivoire branches, purchased a total of 1281.305 m<sup>3</sup> of timber from three Liberian PUPs: PUP 3 (Zaye Town), PUP 9 (Sallouyou) and PUP 17 (Korninga). The value of the exported timber was \$304,870 according to export permits. Copies of these export permits may be found in Annex 1 and are summarized in the Table below:

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<sup>1</sup> Forest Stewardship Council, Policy for the Association of Organizations with FSC, FSC-POL-01-004 V2-0, 2011, Definition: Illegal Logging.

Table: Summary of information based on export permits issued in Liberia for illegal PUP timber sold to DLH France / Denmark / Cote d'Ivoire (see Annex 1 for export permits)

Export Permit #	Logging company	PUP Name <sup>2</sup>	Issue Date	Volume (m <sup>3</sup> )	Value (US\$)	Type	Ship	Destination	Buyer
089	Global Logging Company	PUP 3 / Zaye Town <sup>3</sup>	23 Feb 2012	185.86	46,465	Ekki logs	African Wind	France	DLH (France)
108	Global Logging Company	PUP 3 / Zaye Town	4 Aug 2012	253.926	48,026	Tetra logs	Reina Christina	France	DLH (France)
133	Global Logging Company	PUP 9 / Sallouyou <sup>4</sup>	15 Jun 2012	561.975	140,493	Ekki logs	Vostok	China	DLH Nordisk (Denmark)
136	Global Logging Company	PUP 9 / Sallouyou	22 Jun 2012	98.137	24,534	Ekki logs	Africa Forest	Nantes, France	DLH (Denmark)
157	Liberia Hardwood Company	PUP 17 / Koringa Chiefdom	12 Dec 2012	181.407	45,351	Ekki logs	Container vessel	Bangladesh	DLH (Cote d'Ivoire)
<b>TOTAL</b>				<b>1281.305</b>	<b>304,870</b>				

In a 7 October 2013 letter from DLH to Global Witness the company confirmed that it purchased timber cut under Liberian PUPs in 2012 and that this timber was exported to Bangladesh, China and France.<sup>5</sup> DLH stated that its records show that it imported 178.352 m<sup>3</sup> of timber to France in March 2012 and that this came from PUP 3. DLH could not confirm that timber from PUP 9 was imported.

## 2. Why the timber is illegal: Private Use Permits in Liberia

Between 2009 and 2012 a handful of Liberian officials colluded with international and Liberian logging companies to issue at least 63 PUP logging licences covering roughly a quarter of the country. These licences were intended to allow private land owners to cut timber on their land. Instead, PUPs were issued illegally for logging on communally-owned land, allowing logging companies to access timber while avoiding stricter regulation and higher taxes required for large logging concessions known as Forest Management Contracts.

<sup>2</sup> The PUP of origin was confirmed by information provided SGS: SGS, Email to Global Witness, 30 October 2013, confirming that timber covered by Export Permits 089, 108, 133 and 136 originated in the PUPs indicated in the Table; SGS, Email to Global Witness, 14 February 2013, indicating that timber covered by Export Permit 157 originated in PUP 17. Copies available upon request.

<sup>3</sup> SGS, Email to Global Witness confirming that timber covered by Export Permit 089 originated in PUP 3, 30 October 2013. Copy available upon request.

<sup>4</sup> SGS, Email to Global Witness confirming that timber covered by Export Permit 089 originated in PUP 3, 30 October 2013.

<sup>5</sup> Letter from DLH to Global Witness, 7 October 2013. Copy available upon request.

From December 2011 onwards, concerns were raised as to the legality and negative impacts of PUPs. In December 2011 the Security Council-mandated United Nations Panel of Experts on Liberia expressed concerns regarding the spread of PUPs.<sup>6</sup> Starting in early 2012, EU authorities also were on notice that PUPs involved violations of Liberian laws, having received letters stating this in January and July of that year from the NGO Coalition for Liberia, Sustainable Development Institute (SDI), and Save My Future Foundation (SAMFU).<sup>7</sup> These three Liberian organizations are some of the country's leading civil society groups focusing on forest governance and are widely recognized for their expertise in the sector.

In December 2012 a Special Independent Investigating Body (SIIB) established by the Liberian President published its *Report on the Issuance of Private Use Permits (PUPs)* cataloguing systemic legal violations by companies and Liberian officials, including fraud and corruption, involving every PUP.<sup>8</sup> The SIIB recommended that the government cancel all PUPs and prosecute those guilty of violating laws. The SIIB's key findings were as follows<sup>9</sup>:

- *That the Management of the Forestry Development Authority (FDA), SGS, and operators violated the moratorium placed on Private Use Permits by the FDA Board of Directors. Suspended FDA Managing Director Moses Wogbeh's failure to communicate the order of the Board of Directors until June 15, 2012 was intentional and constitutes insubordination. However, SGS, operators and communities had reason to know of the Moratorium and should have acted in compliance with it. Even after the June 15, 2012 notice FDA, SGS, and operators continued to operate in violation of the Moratorium.*
- *That the FDA management failed to promulgate regulations governing the issuance and operation of PUPs. Senior managers at FDA took advantage of the lack of regulations in ways that were unconscionable, illegal, and a violation of the public interest.*
- *Reviews of the underlying land deeds used in the issuance of PUP licenses revealed major inconsistencies and further abuses perpetrated by FDA management. There were fundamental flaws in the Ministry of Lands, Mines and Energy's (MLME's) validation process for the deeds. An assessment completed by the Land Commission indicated that that of the fifty-nine (59) land deeds reviewed, fifty-seven (57) are not eligible for the PUP license because the deeds presented evidences collective ownership and therefore must operate under the requirements of the CRL.*
- *That regulatory agencies involved in the PUP licensing process, including the Ministry of Lands, Mines and Energy (Land, Survey and Cartography Department) and the Environmental Protection Agency were negligent in carrying out their regulatory responsibilities as required by law. Further, the Land, Survey and*

<sup>6</sup> UN Security Council, Final report of the Panel of Experts on Liberia submitted pursuant to paragraph 6(f) of Security Council resolution 1961 (2010), 7 Dec 2011, <http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Liberia%20S2011%20757.pdf>.

<sup>7</sup> NGO Coalition for Liberia, Letter to H.E. Atilio Pacifici, 12 January 2012, <http://loggingoff.info/sites/loggingoff.info/files/Letter%20and%20Briefing%20on%20PUPs.pdf>; Yiah, Jonathan, James Makor, Letter to H. E. Atilio Pacifici, 25 July 2012.

<sup>8</sup> Special Independent Investigating Body, Report on the Issuance of Private Use Permits (PUPs), 19 Dec 2012, <http://www.illegal-logging.info/sites/default/files/uploads/SIIBReportonPUPs.pdf>.

<sup>9</sup> Ibid, pp. viii-ix.

Cartography Department approved fraudulent conveyance of land in issuing Certificates of Correction in violation of the law.

- The NFRL requires that either the applicant for a PUP is the landowner or has permission from the Landowner. There is insufficient evidence that permission from the landowner was obtained, even where the letter requesting a PUP was from the "landowner." In many cases, the letter of request for a PUP had one signatory with no supporting documentation that other members of the District/ Chieftdom/Section were consulted. In cases where the operator applied on behalf of the communities, there was no written proof that the communities were consulted or agreed his/her representation.
- FDA failed to exercise due care and legal prudence in review of documentation presented for issuing PUPs. Documents revealed errors in dates, signatures, deeds and associated documents such as social agreements and memorandums of understanding. Some of the actions by FDA indicated culpability by officials of the FDA in cohort with individuals working for companies and communities.
- That the FDA failed to comply with the National Forest Management Strategy (NFMS) that states in its objective that the FDA - allocate and manage Liberia's remaining 4.39 million hectares of forest as either forest management contract areas, and timber sales contract areas, community management areas, or protected areas to capture, develop and preserve the wide range of forest resource benefits. Under the NFMS, 2.5 million hectares of forest was found suitable for commercial use. The NFMS envisioned thirteen (13) new protected forests to be maintained for conservation in compliance with Liberia's obligation under the United Nations Convention on Biological Diversity (CBD), bringing the total of protected areas to 1,141,813 hectares. The NFMS was completely disregarded during the process for granting PUPs. The actions of FDA have jeopardized Liberia's conservation goals and the ability of Liberia to meet its obligation under the CBD.
- The field verifications memorandums written by FDA to justify issuance of PUP were falsified in many cases and did not support the grant of PUPs in others. Field verifications dated in 2011 were purportedly completed in 2009-2010, in many cases prior to the request for a PUP.
- Review of social agreements signed by landowners and operators are inadequate, as they do not justly compensate the land owners (generally communities) for the exploitation of their forest resources. The social agreements are constructed in a template that in many cases make vague references to projects that the operators will implement. One theme that resonated across operators was the construction of one clinic at US\$12,500 in the third year of operation and beginning the construction of two schools value at US\$14, 500 in the second year. Employment is referenced, but many community members cannot access jobs because they do not have the capacity.

In January 2013 Liberian President Ellen Johnson Sirleaf issued an Executive Order placing a moratorium on logging and exports by PUP holders and committing to prosecute and sanction those who broke the law.<sup>10</sup> Government officials are currently working to implement the Executive Order, and have now cancelled at least 29 PUPs on grounds of illegality, including PUP 9 and PUP 17

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<sup>10</sup> Government of Liberia, Executive Order No. 44, 4 January 2013.

from which DLH sourced timber. Several of the officials involved have now been dismissed from their posts and the government is also preparing for prosecutions.

Annexes 2, 3 and 4 to this complaint contain documentation from the Liberian government regarding the cancellation of PUPs 9 and 17. Annex 3 contains an initial letter sent to the holders of PUP 9 by the FDA on 6 June 2013, stating the FDA's intention to cancel the PUP and allowing the holders 10 days to appeal. Also included in Annex 3 is a legal assessment of PUP 9 carried out by the Ministry of Justice, which concludes that the PUP was issued illegally. This initial letter and assessment was not available for PUP 17. Annex 4 contains two letters from the FDA to the holders of PUP 9 and PUP 17, which inform the holders that the FDA has cancelled the PUPs. PUP 3 had not yet been cancelled at time of writing, but the FDA continues to work on cancellations and has confirmed its intention to cancel all PUPs on the basis of illegality.

Liberia's PUPs have received different numbering systems, depending upon the agency that has tracked them. This brief employs the PUP numbering used by the SGS/LiberFor chain of custody system, which is the system used in export permits.

#### **a. Private Use Permit 3 (People of Zaye Town, Grand Bassa County)<sup>11</sup>**

In its 7 October 2013 letter to Global Witness, DLH confirmed that it bought timber harvested under PUP 3.<sup>12</sup> The SIIB found PUP 3 to be illegal on several grounds:

- 1) All PUPs, including PUP 3, were allocated before the Government of Liberia issued relevant regulations, in violation of the National Forestry Reform Law (2006).<sup>13</sup>
- 2) PUP 3 was issued on land communally owned by the people of Zaye Town under a Public Land Sale Deed, which is categorised as communal land by the Community Rights Law (2009) rather than private land. The National Forestry Reform Law (2006) states that PUPs may only be issued on privately owned land, while the Community Rights Law (2009) states that logging under collective land deeds must follow specific alternative procedures set out in that law.<sup>14</sup>
- 3) The people of Zaye Town, who own the land in question, did not request or sign the PUP contract. Instead, a woman claiming to be the mother of the four individuals named in the land title deed fraudulently requested and signed the PUP contract.<sup>15</sup>
- 4) The investigation found no evidence that the PUP holder met all the conditions set out in the National Forestry Reform Law (2006) before the PUP was awarded, namely having an Annual Harvesting Certificate, a Business Plan and proof of sufficient financial and technical capacity.<sup>16</sup>
- 5) The PUP inexplicably expands the land owned by the people of Zaye Town by ten times that of the original land deed. The deed covered 1,200 hectares, while the PUP ultimately covers 13,744 hectares.<sup>17</sup>

#### **b. Private Use Permit 9 (People of Sallouyou Section, Grand Bassa County)<sup>18</sup>**

<sup>11</sup> The SIIB report also catalogues the Zaye Town PUP as PUP 3.

<sup>12</sup> Kristensen, Peter, Letter to Global Witness, 7 October 2013.

<sup>13</sup> Special Independent Investigating Body, *Report on the Issuance of Private Use Permits (PUPs)*, 19 Dec 2012, pp. 10-11, <http://www.illegal-logging.info/sites/default/files/uploads/SIIBReportonPUPs.pdf>.

<sup>14</sup> Ibid, pp. 79-80.

<sup>15</sup> Ibid, pp. 79.

<sup>16</sup> Ibid, pp. 79-80.

<sup>17</sup> Ibid, pp. 13-14.

<sup>18</sup> The SIIB report catalogues the Sallouyou Section PUP either as PUP 45 or does not number the PUP.



Global Witness has photographic evidence of PUP 9 logs, together with PUP 3 logs, located in front of DLH's warehouse in the port of Nantes, France. DLH was not able to confirm to Global Witness whether it bought timber harvested from PUP 9. The SIIB found PUP 9 to be illegal on several grounds:

- 1) All PUPs, including PUP 9 were allocated before the Government of Liberia issued relevant regulations, in violation of the National Forestry Reform Law (2006).<sup>19</sup>
- 2) PUP 9 was issued on community-owned forest land, specifically land under an Aborigine Deed. The Community Rights Law (2009) states that logging on community forest land must follow provisions set out in the Community Rights Law, not logging provisions under the National Forestry Reform Law.<sup>20</sup>
- 3) The owners of the land in question did not request or sign the PUP contract. Instead, a woman claiming to represent the land owning community as an "attorney in fact" requested and signed the PUP contract.<sup>21</sup>
- 4) The investigation found no evidence that the PUP holder fulfilled conditions set out under the National Forestry Reform Law (2006) for the allocation of a PUP, namely the formulation of an Annual Harvesting Certificate, a Business Plan and provision of proof of financial and technical capacity to log.<sup>22</sup>

The Ministry of Justice has determined that PUP 9 was legally invalid and on 9 September 2013 the government's Forestry Development Authority cancelled the PUP on grounds of illegality (see Annexes 3 and 4).

#### **c. Private Use Permit 17 (People of Koringa Chiefdom, Gbarpolu County)<sup>23</sup>**

Official export data suggest that DLH imported timber harvested under PUP 17. The SIIB found PUP 9 to be illegal on several grounds:

- 1) All PUPs, including PUP 17, were allocated before the Government of Liberia issued relevant regulations, in violation of the National Forestry Reform Law (2006).<sup>24</sup>
- 2) PUP 17 was issued on community-owned forest land, specifically land under an Aborigine Deed. The Community Rights Law (2009) states that logging on community forest land must follow provisions set out in the Community Rights Law, not logging provisions under the National Forestry Reform Law.<sup>25</sup>
- 3) The PUP inexplicably expands the land allocated for use as a PUP beyond that which the government stated was owned by the community.<sup>26</sup>

The Ministry of Justice has determined that PUP 17 was legally invalid and on 9 September 2013 the government's Forestry Development Authority cancelled the PUP on grounds of illegality (see Annexes 2 and 3).

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<sup>19</sup> Ibid, pp. 10-11.

<sup>20</sup> Ibid., p. 214.

<sup>21</sup> Ibid., p. 214.

<sup>22</sup> Ibid., pp. 214-215.

<sup>23</sup> The SIIB report catalogues the Koringa Chiefdom PUP either as PUP 37 or does not number the PUP.

<sup>24</sup> Ibid, pp. 10-11.

<sup>25</sup> Ibid., p. 196-197.

<sup>26</sup> Ibid, pp. 197.

### **3. Why DLH should have known, at the time of purchase, that the Private Use Permit timber it was buying was illegal or likely to be illegal**

#### **a. Information was available regarding the illegality or likely illegality of Private Use Permits from November 2011 onwards**

The United Nations Panel of Experts on Liberia first raised concerns about PUPs in its November 2011 report, published on 7 December 2011:

*The Panel is concerned that the upward trend in private use permits poses the risk that reforms put in place to promote transparency of forest revenues and sustainability and equity of forest management and to maximize return to the Liberian people from resource use will be sidestepped. Operators working under a private use permit do not undergo a bidding process, pay much reduced forest taxes and are subject to much less stringent regulation. In the worst case scenario, the increasing use of private use permits could recreate an environment for conflict financing.*<sup>27</sup>

The UN Panel of Experts recommended a moratorium on PUPs:

*The Government of Liberia should impose a moratorium on allocating further natural resources concessions, as well as private use permits, until the Lands Commission completes its review of ownership of existing concessions and makes further recommendations on how to move forward in clarifying land tenure.*<sup>28</sup>

On 12 January 2012 the NGO Coalition for Liberia wrote a letter to EU Ambassador Attilio Pacifici stating that “PUPs are [...] handed out in violation of various Liberian laws and outside of the normal concession allocation procedures.”<sup>29</sup>

The UN Panel of Experts report and the letter of the NGO Coalition were both reported in an online *Forest Watch* newsletter of FERN, an EU-based NGO working on forest and illegal logging issues in Liberia and elsewhere, in January 2012. The newsletter stated:

*The UN Security Council points out that ‘PUPs make it possible to circumvent reforms, including those meant to avoid conflict.’ 3 PUPs are distributed in violation of various Liberian laws and outside of the normal concession allocation procedures; they also contribute very little in taxes and their obligations to comply with regulations for benefit-sharing and sustainable forest management are unclear.*<sup>30</sup>

Subsequently, on 1 February 2012 SDI and the NGO Coalition of Liberia made their detailed allegations of the illegal nature of PUPs publicly available. These allegations included the following:

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<sup>27</sup> UN Security Council, Final report of the Panel of Experts on Liberia submitted pursuant to paragraph 6(f) of Security Council resolution 1961 (2010), 7 Dec 2011, <http://www.securitycouncilreport.org/atf/cf/%7B65BFCF9B-6D27-4E9C-8CD3-CF6E4FF96FF9%7D/Liberia%20S2011%20757.pdf>.

<sup>28</sup> Ibid., p. 71

<sup>29</sup> Non Governmental Organization Coalition for Liberia, Letter to H.E. Attilio Pacifici, 12 January 2012, <http://loggingoff.info/sites/loggingoff.info/files/Letter%20and%20Briefing%20on%20PUPs.pdf>.

<sup>30</sup> FERN, EU Forest Watch, January 2012, [http://www.fern.org/publications/results?search\\_api\\_views\\_fulltext=&items\\_per\\_page=10&page=2&f\[0\]=taxonomy\\_vocabulary\\_2%3A153](http://www.fern.org/publications/results?search_api_views_fulltext=&items_per_page=10&page=2&f[0]=taxonomy_vocabulary_2%3A153)

- 1) *The primary pre-allocation requirement was determined by the FDA and is vulnerable to abuse. The PUP operators are not pre-qualified to operate PUPs as required by the National Forestry Reform Law (NFRL)*<sup>31</sup>
- 2) *The FDA appears to be using the PUPs as a shortcut to allocating concessions. Rather than using the normal concession allocation process for Timber Sales Contracts (TSC) and Forest Management Contracts (FMC) which do require oversight from the Inter-Ministerial Concessions Committee, the Legislature and the President, the FDA issues PUPs which do not require such oversight. Such excessive use of discretionary decision making by a forest authority has been shown in many countries to undermine good governance, and is a primary reason for the creation of the transparent and competitive allocation process developed in Liberia in 2006.*
- 3) *The status of most of the forestlands being allocated under PUP is unclear; some are said to be owned by individuals while the majority is said to be owned by communities. There is no mechanism for independent verification of the tenure status of 'private' forest land and thus the eligibility for a PUP. There is neither an open consultation nor any complaints mechanism.*
- 4) *Given the level of discretionary authority the FDA has in the allocation of PUPs, it will be difficult to apply Principle 2 of the VPA Legality Definition and its associated Indicators and Verifiers.*<sup>32</sup>
- 5) *Pre-felling requirements of Regulation 105-07 and those outlined in the PUPs are not being applied to the PUPs. Some logging companies, for example Atlantic Resources Ltd., owing forestry taxes and who has not fully met the requirements for harvesting from their existing FMC concessions are already harvesting timber from PUPs.*<sup>33</sup>

In July 2012 SDI and SAMFU again wrote to the EU Ambassador to Liberia expressing concerns about PUPs, and the following month the two organizations, joined by Global Witness, circulated a letter written on PUPs to the Liberian President.<sup>34</sup>

In August 2012 the Liberian Executive Mansion issued a statement confirming a moratorium on logging in and exports from PUPs and announcing the commission of an investigation.<sup>35</sup> In September 2012 Global Witness, SDI and SAMFU published an investigative report on the illegality

<sup>31</sup> "For Private Use Permits under Section 5.6 of this Law, the Authority shall specify the standard qualifications by Regulation." National Forestry Reform Law, 2006, sec. 5.2(a)(iii)

<sup>32</sup> Principle 2 of the Legality Definition relates to the Contract Allocation. Broadly, it seeks to determine that "the Forest covered by the contract was awarded pursuant to the National Forestry Reform Law and the Community Rights Law." Forest Stewardship Council, Policy for the Association of Organizations with FSC, FSC-POL-01-004 V2-0, 2011, Definition: Illegal Logging.

<sup>33</sup> Sustainable Development Institute and the NGO Coalition of Liberia, New logging permits may undermine forestry reforms and lead to a return to illegal logging in Liberia, 1 February 2012, [http://www.rightsandresources.org/documents/quarantined/files/turningpoint/SDI\\_Press%20Release%20+-%20Letter%20to%20EU%2020112.pdf](http://www.rightsandresources.org/documents/quarantined/files/turningpoint/SDI_Press%20Release%20+-%20Letter%20to%20EU%2020112.pdf)

<sup>34</sup> Yiah, Jonathan, James Makor, Letter to H. E. Atilio Pacifici, 25 July 2012; Alley, Patrick, Robert Nyahn, Silas Siakor, Letter to President Ellen Johnson Sirleaf, 3 August 2012.

<sup>35</sup> Executive Mansion, President Sirleaf Appoints Special Independent Investigative Body to Probe Issuance of PUPs; Suspends FDA Managing Director, 31 August 2012, [http://www.emansion.gov.lr/2press.php?news\\_id=2302&related=7&pg=sp](http://www.emansion.gov.lr/2press.php?news_id=2302&related=7&pg=sp).

of PUPs: *Signing Their Lives Away: Liberia's Private Use Permits and the Destruction of Community-Owned Rainforest*.<sup>36</sup>

**b. DLH had knowledge of NGO reports regarding the illegality of Private Use Permits at the time of trading in PUP timber during 2012**

In a statement released by DLH on 10 October 2013 entitled *Global Witness criticises DLH*, the company states that:

*During 2012, DLH began to hear about the concerns over the issuance of PUPs, which we acknowledged and shared. [...] We studied the NGO reports made public at the time in order to make sure that our suppliers were not involved in illegal activities.*<sup>37</sup>

No reasoned justification has been presented by DLH as to why it believed, at the time, that its suppliers were not involved in the violation of Liberian laws in the ways enumerated by NGO reports. In fact the concerns raised by the UN Panel of Experts reports and NGOs from December 2011 have been proven by the SIIB's *Report on the Issuance of Private Use Permits (PUPs)* of 19 Dec 2012 and by assessments of the legality of PUPs carried out by the Liberian Ministry of Justice, which form the basis of the Liberian government's rationale for cancelling PUPs. No contrary evidence has been presented.

**4. Why DLH should have avoided purchasing illegal Private Use Permit timber through the exercise of due diligence**

Given that DLH was alerted to concerns regarding the illegality of PUP licenses, the company should have taken measures to verify whether it was at risk of trading in illegal timber. This should have included examining each of the PUPs under which the timber was being harvested. Given the numerous grounds on which PUPs were illegal, it is reasonable to postulate that DLH could have discovered the illegality for itself or at the very least have substantiated the grounds to suspect that these permits may be illegal.

DLH should have:

- Spoken with independent civil society experts and other sources such as EU authorities in Liberia, and heeded warnings of legal violations surrounding the issuance of PUPs.
- Verified the compliance of the PUPs with applicable laws and regulations, including laws related to the acquisition of harvesting rights from the rightful owner, as required by FSC policy.
- Verified the PUPs for prima facie evidence of fraud.

Had DLH engaged in a process of legal verification, it would have discovered the various ways in which laws and regulations had been violated in the issuance of the PUPs as detailed in the SIIB report.

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<sup>36</sup> Global Witness, SAMFU, SDI, *Signing Their Lives Away: Liberia's Private Use Permits and the Destruction of Community-Owned Rainforest*, 4 September 2012, [http://www.globalwitness.org/sites/default/files/library/Signing%20their%20Lives%20away%20-%20Liberian%20Private%20Use%20Permits%20-%204%20Sept%202012%20U\\_0.pdf](http://www.globalwitness.org/sites/default/files/library/Signing%20their%20Lives%20away%20-%20Liberian%20Private%20Use%20Permits%20-%204%20Sept%202012%20U_0.pdf).

<sup>37</sup> DLH, *Global Witness criticizes DLH*, 10 October 2013, <http://www.dlh.com/News/Environmental-news/2013/2013-10-10.aspx>.

## 5. DLH's response to Global Witness

Global Witness wrote to DLH on 2 October 2013 providing an opportunity to reply to our allegations that DLH had purchased timber harvested under Private Use Permits in Liberia. DLH responded as follows on 7 October 2013:

- DLH confirmed that during the course of 2012 it purchased timber cut under Liberian Private Use Permits and that this timber was exported to Bangladesh, China and France.
- DLH stated that its records showed that the volume imported to France in March was 178,352 m3 and it came from PUP 3. DLH could not confirm the information concerning PUP 9.
- DLH stated that its policy was to always make a risk assessment prior to purchase based on the information available to them.
- DLH confirmed that it held a FSC CoC and in August 2012 DLH formulated an annex to its existing Environmental Policy to state that: "Through our CSR policy and using our due diligence system Good Supplier Program (GSP), DLH strives to avoid wood from controversial sources. DLH is therefore not directly or indirectly involved in the following activities: a. Illegal logging or the trade in illegal wood or forest products; b. Violation of traditional and human rights in forestry operations; c. Destruction of high conservation values in forestry operations; d. Significant conversion of forests to plantations or non-forest use; e. Introduction of genetically modified organisms in forestry operations; f. Violation of any of the ILO Core Conventions, as defined in the ILO Declaration on fundamental Principles and Rights at Work, 1998."
- DLH stated that the scope of its Controlled Wood CoC certificate only allowed DLH to pass on CW claims. DLH claimed that the wood from Liberia was therefore not sold as FSC Controlled Wood as DLH was not allowed to make Controlled Wood assessments under the CoC scope.

## 6. DLH's history of trading illegal timber from Liberia

During the second civil war in Liberia between 2000 and 2003, DLH bought timber from Liberian companies that provided support to Charles Taylor's brutal regime. Evidence published by the UN Panel of Experts prior to 2003, and information provided to DLH between 2001 and 2002 by NGOs including Global Witness, Greenpeace France and Amis de la Terre, demonstrates that DLH had knowledge of where the timber was coming from, who was benefiting from the sales, and the severe human rights and environmental abuses that were resulting, and yet it carried on regardless.<sup>38</sup>

## IV. Conclusion

The evidence summarised in this brief shows that DLH has traded in timber harvested in violation of the laws and regulations of Liberia, thereby breaching FSC-POL-01-004 Policy for the Association of Organizations with FSC. DLH has admitted to purchasing timber harvested under PUP 3 and of being aware of NGO reports raising concerns as to the illegality of PUPs. Further evidence suggests that it bought timber harvested under two other illegal PUPs. Had DLH exercised proper due

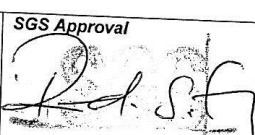
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<sup>38</sup> Global Witness, Bankrolling Brutality: Why European timber company DLH should be held to account for profiting from Liberian conflict timber, 2010, [http://www.globalwitness.org/sites/default/files/import/bankrolling\\_brutality\\_hi.pdf](http://www.globalwitness.org/sites/default/files/import/bankrolling_brutality_hi.pdf).

diligence, it would have had grounds to suspect that timber harvested under the permits in question was illegal and as a responsible buyer and in keeping with FSC rules should have chosen not to source timber harvested under PUPs.

Global Witness contends that FSC companies should uphold the highest standards of legal compliance, conducting robust due diligence to that end. DLH and its subsidiaries have grievously failed these standards and should be sanctioned accordingly.

**Annex 1: Export permits showing DLH purchases of timber from Liberian Private Use Permits in 2012**

<b>SGS</b>		<b>LiberFor</b> monitoring the Liberian Forest sector	
<b>ORXHC14F</b>		<b>Wood Products Export Permit</b>	
Permit Number: EP 00089		Date of issue: 02-23-2012	
<b>Exporter</b>			
<b>Name</b> Global Logging Company 14 St. Sinkor (Bittar Compound) Monrovia, Liberia		<b>T.I.N.</b> 427375005 <b>Contact details</b> 06 56 47 75	
<b>Shipping reference</b>			
<b>Port of Loading:</b> Port Of Buchanan		<b>Name of Vessel</b> M.V. AFRICA WIND	
<b>Port of destination:</b> France		<b>ETA</b> March 2012	
<b>Shipment #1 description:</b>			
<b>Type:</b> 7 Round logs (Ekki)			
<b>Description</b>		<b>Quantity:</b> 41.300 m <sup>3</sup>	
<b>Total FOB value (USD):</b> \$ 10,325.00			
<b>Shipment #2 description:</b>			
<b>Type:</b> 5 Round logs (Ekki)			
<b>Description</b>		<b>Quantity:</b> 144.560 m <sup>3</sup>	
<b>Total FOB value (USD):</b> \$ 36,140.00			
<b>Buyer</b>			
<b>Name</b> DLH		<b>Contact details</b> 1, Zone D' Activite de l'Ancien Point 34100 Frontignan La Peyrade France	
<b>SGS verification</b>			
<b>Physical Inspection:</b> <b>Date</b> February 2012		<b>Location</b> Port of Buchanan	
<b>FOB Price verification:</b> In line with international market prices for similar goods		<b>SGS Approval</b> 	
For administration use only		<b>SGS Liberia Inc.</b>	



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LiberFor, Kappa House, Eli Saleeby Compound, Sinkor, Monrovia, Liberia



### Wood Products Export Permit

Permit Number: EP 000108

Date of issue: 04-08-2012

#### Exporter

<b>Name</b> Global Logging Company 14 St. Sinkor (Bittar Compound) Monrovia, Liberia	<b>T.I.N.</b> 427375005 <b>Contact details</b> 06 56 47 75
---	---

#### Shipping reference

<b>Port of Loading:</b> Port Of Buchanan	<b>Name of Vessel</b> M.V. REINA CHRISTINA
<b>Port of destination:</b> France	<b>ETA</b> APRIL 2012

#### Shipment #1 description:

<b>Type:</b> 26 TETRA ROUND LOGS	
<b>Description</b>	<b>Quantity:</b> 86.979 m <sup>3</sup>
<b>Total FOB value (USD):</b> \$ 16,526.01	

#### Shipment #2 description:

<b>Type:</b> 51 TETRA ROUND LOGS	
<b>Description</b>	<b>Quantity:</b> 166.947 m <sup>3</sup>
<b>Total FOB value (USD):</b> \$ 31,50.00	

#### Buyer

<b>Name</b> DLH	<b>Contact details</b> 1, Zone D' Activite de l'Ancien Point 34100 Frontignan La Peyrade France
--------------------	---

#### SGS verification

<b>Physical Inspection:</b>		<b>SGS Approval</b> 
<b>Date</b> April 2012	<b>Location</b> Port of Buchanan	
<b>FOB Price verification:</b> In line with international market prices for similar goods		



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### Wood Products Export Permit

Permit Number: EP 000133

Date of issue: 06-15-2012

#### Exporter

<b>Name</b> Global Logging Company 14 St. Sinkor (Bittar Compound) Monrovia, Liberia	<b>T.I.N.</b> 427375005 <b>Contact details</b> 06 56 47 75
---	---

#### Shipping reference

<b>Port of Loading:</b> Port Of Buchanan	<b>Name of Vessel</b> M.V. VOSTOK
<b>Port of destination:</b> China	<b>ETA</b> June 2012

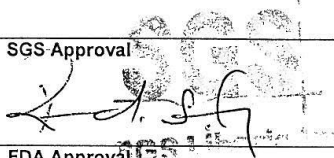

#### Shipment #1 description:

<b>Type:</b> EKKI ROUND LOGS	
<b>Description</b>	<b>Quantity:</b> 561.975 m <sup>3</sup>
<b>Total FOB value (USD):</b> \$ 140,493.80	

#### Buyer

<b>Name</b> DALHOFF LARSEN & HOMEMAN	<b>Contact details</b> DLH NORDISH AS SKAGENSGODE 66 DENMARK
---	---

#### SGS verification

<b>Physical Inspection:</b> <b>Date</b> June 2012 <b>Location</b> Port of Buchanan	<b>SGS Approval</b> 
<b>FOB Price verification:</b> In line with international market prices for similar goods	<b>FDA Approval</b> 

#### For administration use only

Note:



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### Wood Products Export Permit

Permit Number: EP 000136

Date of issue: 06-22-2012

#### Exporter

<b>Name</b> Global Logging Company 14 St. Sinkor (Bittar Compound) Monrovia, Liberia	<b>T.I.N.</b> 427375005 <b>Contact details</b> 06 56 47 75
---	---

#### Shipping reference

<b>Port of Loading:</b> Port Of Buchanan	<b>Name of Vessel</b> M.V. AFRICA FOREST
<b>Port of destination:</b> NANTES, FRANCE	<b>ETA</b> June 2012

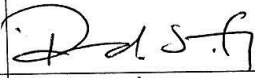
#### Shipment #1 description:

<b>Type:</b> EKKI ROUND LOGS	
<b>Description</b>	<b>Quantity:</b> 98.137 m <sup>3</sup>
<b>Total FOB value (USD):</b> \$ 24,534.25	

#### Buyer

<b>Name</b> DALHOFF LARSEN & HOMLMAN A/S	<b>Contact details</b> Hafenstrasse/A SKAGENSGODE 66, DENMARK
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#### SGS verification

<b>Physical Inspection:</b> <b>Date</b> June 2012 <b>Location</b> Port of Buchanan	<b>SGS Approval</b> 
<b>FOB Price verification:</b> In line with international market prices for similar goods	<b>FDA Approval</b>

#### For administration use only

**Note:**



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## Wood Products Export Permit

Permit Number: EP 000157

Date of issue: 12-12-2012

### Exporter

<b>Name</b> Liberia Hardwood Company	<b>T.I.N.</b> 431327007 <b>Contact details</b> + 231 880712510 Congo Town Monrovia
---	---

PUP 17

### Shipping reference

<b>Port of Loading:</b> Monrovia	<b>Name of Vessel:</b> Container vessel
<b>Port of destination:</b> Bangladesh	<b>E.T.A</b> 21 December 2012

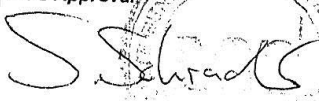
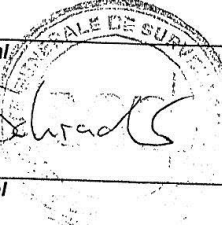
### Overall Shipment description:

<b>Type:</b> EKKI Round logs	
<b>Description</b> Round Logs	<b>Quantity:</b> 181.407 m <sup>3</sup>
<b>Total FOB value (USD):</b> \$ 45,351.43	

### Buyer

<b>Name</b> DLH	<b>Contact details</b> 01 BP 2648 Abidjan 01 Cote d'Ivoire
--------------------	--

### SGS verification

<b>Physical Inspection:</b>		<b>SGS Approval</b>  
<b>Date</b> November 2012	<b>Location</b> Monrovia Log Yard	
<b>FOB Price verification:</b> In line with international market prices for similar goods		<b>FDA Approval</b>

### For administration use only

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## Annex 2: Ministry of Justice letter stating that PUPs 9 and 17 are illegal



REPUBLIC OF LIBERIA  
**MINISTRY OF JUSTICE**  
Ashmun & Center Streets  
Monrovia, Liberia



OFFICE OF THE DEPUTY  
MINISTER ECONOMIC AFFAIRS

REF: BFS/DMEA/MOJ/044/'13

May 15, 2013

Hon. Harrison Karnwea  
Interim Managing Director  
Forestry Development Authority (FDA)  
Monrovia, Liberia

Dear Hon. Karnwea

I have the honor to present my compliments and to refer to the Report of the Special Independent Investigating Body commissioned by the President to review the policies and procedures regarding the issuance of Private Use Permits (PUPs). As you are quite aware, it is very clear from this report, that while the introduction of PUPs was meant to benefit local communities, the process was abused by investors, government employees, community leaders, and other individuals. In an effort to comprehensively address the expansive legal, social, economic and administrative implications revealed by the report, the President, Her Excellency Madam Ellen Johnson Sirleaf, instituted the following measures: (i) re-asserted the moratorium placed on all PUP operations throughout the country in August 2012, and through Executive Order Number 44 of January 2013, directed that effective immediately, all activities of logging companies involved in PUPs be suspended; and (ii) mandated the Ministry of Justice to establish a Special Prosecution Team exclusively to investigate and prosecute all PUP-related criminal activity involving not only government officials, but also PUP holders, community leaders and logging companies.

Consistent with this mandate, the Ministry of Justice has reviewed the following ten (10) Private Use Permits (PUP), issued by the Forestry Development Authority (FDA).

- |                                      |         |
|--------------------------------------|---------|
| 1. Getroh Community Forest Mgmt,     | PUP 2,  |
| 2. People of Teemor,                 | PUP 7,  |
| 3. People of Teemor                  | PUP 8   |
| 4. People of Sallayou,               | PUP 9   |
| 5. People of Morwiah/Doedan District | PUP 10  |
| 6. People of Zuzon,                  | PUP 11, |
| 7. People of Koringa C/dom           | PUP 17  |
| 8. People of Dugbeh River            | PUP 18  |

9. People of Bolloh, Dorbor and Fenetoe PUP 20

10. People of Jo River PUP 23

Based upon the aforesaid review, the Ministry of Justice finds that the issuance of the 10 PUPS and the conduct of the parties involved in the process were in gross violation of the Community Rights Law, the National Forestry Reform Law, and the FDA Regulations, for which the Ministry recommends the revocation of these PUPs by the FDA consistent with their statutory powers.

However, the right to due process as mandated by the Constitution, the Administrative Procedure Act, and the Opinions of the Honourable Supreme Court of Liberia, require that those affected by this decision be given an opportunity to review the findings and to give their side of the matter. Accordingly, we recommend that the Forestry Development Authority (FDA) immediately provides a copy of the report of the Ministry of Justice on each PUP to the respective PUP holders, and to notify them: (i) that the FDA intends to revoke their PUP for the reasons stated in the Report; (ii) requesting the holders of the PUP to show cause within ten (10) days as to why their PUP should not be revoked for the reasons stated in the report; and (iii) that in the event the holders of the PUP fail or neglect to respond to the notice within 10 days as requested, the FDA will proceed to revoke their PUP forthwith without any further notice.

Attached are copies of the review report on each PUP, and a draft letter to be sent to each of the concerned PUP holders of the PUPs. It is expected that these communications will be sent with dispatch in light of the delay in this process and consistent with the process agreed upon in the meeting with the President.

Kind regards

Sincerely yours



Cllr. Benedict F. Sannoh

**DEPUTY MINISTER OF JUSTICE FOR ECONOMIC AFFAIRS  
& ACTING MINISTER**

cc. Minister of State for Presidential Affairs  
Minister of Justice  
Minister of Finance



### Annex 3: Notice of intent to cancel PUP 9 (Sallouyou) and Ministry of Justice assessment of how the PUP is invalid

REF:MD/178/2013/-7

June 6, 2013

The People of Sallouyou Section (Teemor #2)  
Grand Bassa County  
Republic of Liberia

Dear Mr. Chairman:


- 1.. On January 4, 2013, following the receipt of the report of the Special Independent Investigating Body commissioned to review the policies and procedures regarding the issuance of Private Use Permits (PUPs), the President, Her Excellency Madam Ellen Johnson Sirleaf, mandated the Ministry of Justice to establish a Special Prosecution Team exclusively to investigate and to take the appropriate civil and criminal actions for all PUP-related criminal and civil violations involving not only government officials, but also logging companies, PUP holders, community leaders, and other individuals.
2. Consistent with this mandate, the Ministry of Justice has reviewed the Private Use Permit (PUP) issued to the people of Sallouyou Section (Teemor #2) on July 11, 2011 for a period of 13 years, and covering a land area of 5,438 hectares or 13,437.59 acres located in Grand Bassa County.
3. Based upon the aforesaid review, the Ministry of Justice finds that the issuance of the PUP to the people of Sallouyou (Teemor -#2) and the conduct of the parties involved in the process of securing this PUP were in gross violation of the Community Rights Law, the National Forestry Reform Law, FDA Regulations, and the Property law among others. A copy of the review report of your PUP is hereto attached.
4. In light of the gravity of these violations and their social, economic, administrative and legal implications for the nation at large, the Forestry Development Authority (FDA), as grantor of the PUP, and consistent with its statutory powers and authority, hereby informs you that it intends to revoke the PUP granted to the people of Sallouyou (Teemor -#2) in Grand Bassa County and this letter should, from all intent and purpose, be construed as a formal **Letter of Intent to Revoke your PUP** from FDA.
5. The Administrative Procedures Act Section 82.7 requires that notice be given to you of the facts or conduct which warrant the revocation of your PUP or termination and that you are given an opportunity to show compliance with all lawful requirements for the retention of the Permit. Therefore, the FDA requests that the people of Sallouyou (Teemor -#2), within ten (10) calendar days as of the receipt of this Letter of Intent to Revoke to submit, in writing, a response to the violations enumerated in the review Report of the Ministry of Justice (MOJ) along with proof of compliance with the legal requirements for a Private Use Permit. Any response received shall be reviewed within ten (10) days and written notification will be provided to you on the status of your Private Use Permit and the remedies available to you under the circumstances.

6. All written replies to this notification must be submitted to the Managing Director of FDA at the address listed above with a copy submitted to:

Cllr. Benedict F. Sannoh  
Deputy Minister for Economic Affairs  
Ministry of Justice  
9th. Street,  
Monrovia, Liberia

7. Please take note that in the event that you fail or neglect to respond to this Letter of Intent to Terminate within 10 days as herein requested, the FDA will proceed to terminate your PUP forthwith without any further notice. You will, therefore, kindly take note and govern yourselves accordingly.

Issued this 6th day of June 2013.

  
Harrison S. Karnwea, Sr.  
**INTERIM MANAGING DIRECTOR**

CC: Ministry of Justice  
Ministry of Agriculture  
Ministry of State & Presidential Affairs  
Ministry of Internal Affairs  
In-House Lawyer/FDA ✓  
Ministry of Finance  
AMD/Operations  
TM/Commercial  
SGS/LiberFor

Report of Review conducted by the Economic Affairs Department of  
PUP-9:

The People of Sallouyou Section (Teemor #2)

Date of Issuance: July 18, 2011  
PUP Duration: 13 years  
PUP Land Area: 5,438 hectares (13,437.59 acres)  
PUP Location: Grand Bassa County

Upon review of the aforesaid PUP and related documents, we find the following:

1. That the PUP is invalid because it is for forest land holders with an Aborigines Grant Deed and thus is regulated by the Community Rights Law of 2009 (CRL) and is not eligible for a Private Use Permit under the NFRL. Forest land holders with Aborigine Grant Deeds, Public Land Deeds, Public Land Sale Deeds, Tribal Land Certificates, and Warranty Deeds are all regulated by the CRL (Section 2.3(b)).
2. The applicant for the PUP was not the land owner or did not have permission from the land owner
  - There is a letter of request for a PUP from Sarah Miller to FDA dated June 13, 2011. A Limited Power of Attorney was granted to Sarah Miller by the people of Sallouyou Town effective June 20, 2011. At the time of the application for a PUP, Sarah Miller did not have permission from the land owner to apply for a PUP.
  - The PUP was concluded between FDA and Sarah Miller who was not a legal representative of the People of Sallouyou Section at the time of the application for the License.
3. This PUP shows evidence of fraudulent activity or misrepresentations to the Government (NFRL Section 6.1 (g) and violates the requirement that the land owner gives permission for the PUP (NFRL Section 5.6(d)(i)).
  - The application for the PUP by Sarah Miller was made on June 13, 2011, when she was not the land owner. The Power of Attorney giving Sarah Miller the authority to represent the People of Sallouyou Section was granted after the application was made, on June 20, 2011.
  - The PUP application refers to ownership of a Public Land Sale Deeds yet the deed presented is an Aborigine Deed.
  - There are several inconsistencies in the Aborigines Deed. The Aborigines Deed based on which the PUP was issued granted 1,000 acres of land and no more; whereas the PUP was issued for 5,438 hectares (13,437.59 acres). There is no legal instrument evidencing ownership by the People of Sallouyou for the additional 12,347 acres. A PUP can only be issued on private land and in no instance may the PUP be larger than the underlying private land deed.
4. This PUP generally failed to comply with the National Forestry Reform Law of 2006 (NFRL) or FDA regulations:



- As at the date of the issuance of the PUP, FDA has not issued regulations which specify standard qualifications for persons wishing to obtain permission to conduct commercial forestry operations under a PUP license (See NFRL Section 5.2(a)(iii)).
  - The holders of the PUP and their assignees failed to comply with all legal requirements for an environmental impact assessment (See NFRL Section 5.6(d)(v)). The Environmental Protection and Management Law of 2002 (EPML) requires that an environmental impact assessment license or permit is required prior to the commencement of all projects and activities, including forestry activities as specifically listed in Annex I to the EPML. There is no evidence that an EIA permit was obtained from the Environmental Protection Agency prior to the commencement of forestry activities.
  - The holders of the PUP and their assignees failed to submit a business plan (NFRL Section 5.6(d)(iv)) and a five-year management plan (NFRL Section 5.6(d)(iv)), both of which must be received prior to the issuance of a PUP.
5. The Authority gives notice that it reserves the right to bring to the attention of the PUP holder any other and further violation which it may discover following this review report.

This PUP was reviewed by:

\_\_\_\_\_  
 Attorney Kou Dorliae  
 Legal Counsel, Department of Economic Affairs  
 Ministry of Justice

\_\_\_\_\_  
 Cllr. Harriett Scere Badio  
 Assistant Minister of Justice for Economic Affairs  
 Ministry of Justice

And

\_\_\_\_\_  
 Cllr. Benedict F. Sannoh  
 Deputy Minister of Justice for Economic Affairs  
 Ministry of Justice

**Annex 4: Final cancellation letters for PUPs 9 (Sallouyou) and 17 (Korninga)**



Office of the Managing Director

REF:MD/31/2013/-1

September 9, 2013

The People of Sallouyou Section (Teemer#2)  
Grand Bassa Country  
Republic of Liberia

Dear Mr. Chairman:

RE: Private Use Permit (9) dated July 18, 2011  
Issued to The people of Sallouyou Section  
For a period 13 years  
Covering 5,438 hectares or 13,437 acres and  
Located in Grand Bassa Country

We refer to our letter of intent to revoke the above captioned Private Use Permit (PUP) dated June 6, 2013 based on the report of the investigation and review conducted by the Special Independent Investigative Body (SIIB), the subsequent analysis thereof by the Ministry of Justice, and you **did not respond** in order to provide us with reasons why your PUP should not be-revoked.

The Notice of intent to revoke alleges that based upon the aforesaid mentioned the Ministry of justice finds that the issuance of the PUP to the **people of Sallouyou Section (Teemor #2)** and the conduct of the parties involved in the process of securing this PUP were in gross violation of the Community Rights Laws, National Forestry Reform Law, Ten Core Regulation, and the Property Law among others.

Accordingly, the Authority considers that your failure to respond has confirmed our findings that the issuance of the above PUP and the conduct of the parties involved in the process are in gross violation of the National Forestry Reform Law/2006, the Community Rights Law with respect to forest land and the Ten core Regulation as cited in the review conducted by the Ministry of Justice attached to our letter dated June 6, 2013.

In view of the gravity of these violations, the Forestry Development Authority (FDA) pursuant to the powers granted to it under SECTION 6.1 (j) of the NFRL of 2006 hereby terminates the above captioned **Private Use Permit (PUP)** granted to you along with all rights and privileges thereunder effective as of the date of this letter. Consequently, you are, hereby ordered to cease and desist from any and all operations under this PUP including operations under assignments to any and all third parties. 7

Whein Town, Mt. Barclay  
P. O. Box 3010  
Montserrado County  
Monrovia, Liberia  
West Africa

+231-0777513358  
+231-0886513358  
+231-0880713225  
+231-0886552717

Pursuant to Chapter 82 of the Administrative Procedure Act and Section 4 of the 1976 Act creating the Forestry Development Authority (FDA), you have a right to a review of this decision if you so desire, by filing a petition within 10 days for administrative review before a hearing officer at the address listed below:

Hearing Officer  
Forestry Development Authority (FDA)  
Wharf Town,  
Mount Barclay, Liberia

If you fail to file a petition for review within ten days effective as of the date of receipt of this notice, the decision to terminate your FUP shall become final.

Please take note and be governed accordingly.

Sincerely yours,



Harrison S. Karmwa Sr.  
**INTERIM MANAGING DIRECTOR**

- CC: Hon. Benedict Sumich  
Deputy Minister for Economic Affairs  
Ministry of Justice, 9<sup>th</sup> Street Sinkor  
Monrovia, Liberia
- \* Hon. Florence Cheneveth  
Minister of Agriculture  
Ministry of Agriculture  
Gardensville, Liberia
  - \* Hon. Morris Dikaly  
Ministry of Internal Affairs  
Capital Hill, Monrovia  
Liberia
  - \* Hon. Lewis Brown  
Minister of Information, Cultural Affairs and Tourism  
Ministry of Information, Cultural Affairs and Tourism  
Capital Hill, Monrovia  
Liberia
  - \* Legal Consultant - FDA
  - \* File





REPUBLIC OF LIBERIA  
FORESTRY DEVELOPMENT AUTHORITY (FDA)

Office of the Managing Director

REF:MD/31/2013/-5

September 9, 2013

Whein Town, Mt. Barclay

P. O. Box 3010

Montserrado County

Monrovia, Liberia

West Africa

+231-0777513358

+231-0886513358

+231-0880713225

+231-0886552717

The People of Koringa Chiefdom  
Gbarpulo County  
Republic of Liberia

Dear Mr. Chairman:

RE: Private Use Permit (17) November 11, 2011  
Issued to The people of Koringa Chiefdom  
For a period 25 years  
Covering 90,527 hectares or 223,692 acres and  
Located in Gbarpulo County

We refer to our letter of intent to revoke the above captioned Private Use Permit PUP dated June 6, 2013 based on the report of the investigation and review conducted by the Special Independent Investigative Body (SIIB), the subsequent analysis thereof by the Ministry of Justice, and your response thereto dated June 15, 2013, you were to provide us with reasons why your PUP should not be revoked.

The Notice of intent to revoke alleges that based upon the aforesaid mentioned the Ministry of Justice finds that the issuance of the PUP to the people of Koringa Chiefdom and the conduct of the parties involved in the process of securing this PUP were in gross violation of the Community Rights Laws, National Forestry Reform Law, Ten Core Regulation, and the Property Law among others.

Your response has not denied the truthfulness of these allegations nor has it presented us with evidence to contradict the allegations in the letter of intent to revoke. On the contrary, you have referred to a matter pending in the Supreme Court, as a reason why you cannot provide the Authority the evidence requested to show that your PUP was obtained consistent with law. There is no matter pending between you and the Authority in the Supreme Court of Liberia. The matter pending in the Supreme Court is between certain logging companies and the Government of Liberia to which the people of Koringa Chiefdom are not parties. Your failure to provide information to the FDA upon request is a violation of Section 6.1(g) of the Forestry law.

In view of the gravity of these violations, the Forestry Development Authority (FDA) pursuant to the powers granted to it under SECTION 6.1 (j) of the NFRL of 2006 hereby terminates the above captioned Private Use Permit (PUP) granted to you along with all rights and privileges thereunder effective as of the date of this letter. Consequently, you are, hereby ordered to cease and desist from any and all operations under this PUP including operations under assignments to any and all third parties. 7

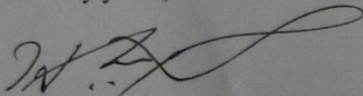
Pursuant to Chapter 82 of the Administrative Procedure Act and Section 4 of the 1976 Act creating the Forestry Development Authority (FDA), you have a right to a review of this decision if you so desire, by filing a petition within 10 days for administrative review before a hearing officer at the address listed below:

Hearing Officer  
Forestry Development Authority (FDA)  
Whein Town,  
Mount Barclay, Liberia

If you fail to file a petition for review with <sup>in</sup>ten days effective as of the date of receipt of this notice, the decision to terminate your PUP shall become final.

Please take note and be governed accordingly.

Sincerely yours,



Harrison S. Karnwea Sr.  
**INTERIM MANAGING DIRECTOR**

- CC: Hon. Benedict Sannoh  
Deputy Minister for Economic Affairs  
Ministry of Justice, 9<sup>th</sup>. Street Sinkor  
Monrovia, Liberia
- " Hon. Florence Chenoweth  
Minister of Agriculture  
Ministry of Agriculture  
Gardnersville, Liberia
- " Hon. Morris Dukuly  
Ministry of Internal Affairs  
Capitol Hill, Monrovia  
Liberia
- " Hon. Lewis Brown  
Minister of Information Cultural Affairs and Tourism  
Ministry of Information Cultural Affairs and Tourism  
Capitol Hill, Monrovia  
Liberia
- " Legal Consultant – FDA
- " File