



# Switzerland, Blood Gold Capital of the World

Par [Graham Vanbergen](#)

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(This is part one of an intriguing investigation into blood gold, money laundering and white collar crime that is ongoing and we hope to bring much more on the subject in the near future)

*Over the millennia the mining of gold has driven some of the world's most brutal practices, as armed militias enslave entire populations, forcing them to mine with their bare hands or use rudimentary tools at the blade of a machete or point of a gun. There is nothing new about 'blood gold', it's just that you had no idea that you were likely supporting it when you bought that special piece of jewelry for your partner or relative. From cheap high street retail chains to the fashion houses of Paris and New York, blood gold adorns us all.*

It might [surprise you to learn](#) that a minimum of two thirds and possibly as much as 90 percent of the world's gold goes, at some stage through Switzerland. It stands to reason then that four of the six largest gold refineries in the world have their headquarters there.

And what better country to carry out such a task than one of the most trusted nations on earth. According to Transparency International's latest '[Corruption Perception Index](#)', Switzerland ranks number seven in the world as least corrupt.

This week, truepublica published a report on what an absurdity this report really is when it came to [Britain ranking as number 10](#) in global terms. Likewise, Switzerland is mired in international terror financing and money laundering from the Mafia to militia groups, from drugs, arms and trafficking to the destabilisation of entire nations.

Here we highlight just a few of the high crimes Switzerland is as an accomplice to the deplorable global corruption that makes up one third of Swiss GDP and it makes for sobering reading. And these are far from few.

For instance, in the Democratic Republic of the Congo five million people have died in conflicts [fuelled largely by the gold trade](#). According to the International Peace Information Service (IPIS), nearly 500 out of the 800 mines it surveyed in 2013 in the DRC are run by armed groups or the corrupt Congolese army.

Six months ago, activists [accused](#) authorities in Switzerland of encouraging impunity, after prosecutors shut a case against a Swiss company, one of the largest gold refineries in the world, suspected of laundering over 3 tonnes of gold pillaged by armed groups in the DRC.

[Columbia](#), in South America is no different where criminal mining operations are connected to paramilitary groups, drug traffickers and all manner of awful crimes. Illegal mining brings in approximately \$2.5 billion a year and has now eclipsed cocaine trafficking as the main driver of violence and a source of dirty money, according to Columbia's President Juan Manuel Santos.

[America Aljazeera](#) reported that over 47 tonnes of gold worth \$1.4 billion was exported out of Columbia and ended up in refineries at Republic Metals Corp, in Miami and Metalor Technologies USA, Massachusetts, a subsidiary of the Metalor Technologies SA, headquartered in Neuchatel, Switzerland. The scheme was laundering money from the proceeds of cocaine sales that contributes to over 5,000 deaths annually in the US alone.

In the heart of continental Africa is the Central African Republic (CAR). It has a population of 4.6 million whose inhabitants earn on average \$333 a year. Revenue generated by [illegal exports of gold](#), diamonds and other resources is fueling a conflict that has engulfed it. Thousands of people have died. The United Nations says more than half of the population are now in need of urgent humanitarian assistance and about 1 million have fled their homes to neighboring countries or camps as a result of the violence.

Chinese, Sudanese and European arms and ammunition have poured into the CAR from neighboring countries, the Brussels-based [Conflict Armament Research](#) consultancy said in a report last January. Its investigators found “vast quantities” of Chinese-made grenades throughout Central African Republic. Each cost less than a dollar. About 95 percent of the gold that is mined leaves the country secretly, according to IPIS with Switzerland its prime money laundering partner.

In a statement about one of Switzerland’s largest gold refineries, [Track Impunity Always or TRIAL](#) and two other non-governmental organisations warned the Swiss authorities that dropping the case of just one of the many illegal gold trades “*gives free rein to companies who violate their duty of diligence and prefer to remain ignorant of the criminal origin of raw materials.*” The decision, in this case, they said, “*undermines international efforts to eliminate the illegal resource trade that fuels conflicts around the world.*” The organisations said the ruling also raised serious questions about Switzerland’s role in the precious metals trade. They questioned

“how several tonnes of dirty gold coming from one of the bloodiest and publicised conflicts of our time can reach Switzerland and be refined there without any consequences.”

So what makes gold so precious to the biggest criminals of the world? Take Cocaine, it has to travel via clandestine routes from supplier direct to the consumer, whereas illegal gold travels with legal documents via airfreight thanks to Switzerland’s global fraud trade.

Gold, like diamonds is easy to smuggle because it has a higher value-to-weight ratio, and documenting and certifying the origin of gold is extremely difficult. While it may be possible to accurately trace the origin of tin, tungsten and other minerals though lab testing, gold is much harder. It’s easily melted, and once it is, tracing it by its physical properties becomes impossible.

So deeply ingrained is the gold industry in Switzerland that The Bank for International Settlements (BIS), the central banks’ banker, is based in Basel. Almost [all of central banks’ gold trades](#) are effected by the BIS in the utmost ‘discretion’ or secrecy to you and me. The headquarters of the World Gold Council was in Zurich, before moving recently to the money laundering capital of the world, London. Geneva has also been the global centre for jewelry and watchmaking for many years as has its most important gold auctions. The best precious metals storage and safekeeping companies are also based in Switzerland.

Mining companies, gold recyclers and criminals with global reach export to Switzerland, where the gold is purified to the highest standards. It is then exported to traders, jewellers, investors or central banks the world over. Much of it tainted in criminality.

It is of no wonder then that the highly secretive authorities in Switzerland will do what it takes to protect a market worth \$94 billion, which represents almost [31 percent](#) of the entire export activity of the country each year.

For a glimpse into this harrowing underworld, Peter Koenig, economist, geopolitical analyst and former world bank staff stated in an email exchange with truepublica on the subject that an

“Argentinian journalist who visited one of the most miserable gold mines in the world, in Rinconada, a city in the Peruvian Andes, reported that a 70,000 people town on 5,400m altitude, made of corrugated iron shacks, with no heating no running water, no sanitation facilities, no electricity coverage by grid, no heating, with prostitution, including child prostitution, drug trafficking, crime and daily violence – is run by a killer mafia. The mine is registered as a legal mine and exploited by the Swiss Metalor, assisted by SECO, a branch of Swiss Development Cooperation (at tax payer’s money). It is horrendous. All the Swiss have to say to this – the private company Metalor has a contract with the Peruvian Government; it’s up to the Peruvian Government to see to ethics standards. The Swiss know damned well about the indescribable level of corruption that is reigning in Peru.”

Koenig confirmed that one quarter of the world’s blood gold is “whitewashed” in Switzerland with cyanide and mercury contamination of the environment and especially water resources another casualty we all eventually have to face.

Keonig’s email gives some insight into the horrendous conditions local residents, children included, are forced to work in. And somehow you thought your trainers being made by child slave labour was bad enough!

Lastly, according to [Swiss customs statistics](#) made available through Christoph Wiedmer, head of the swiss NGO, “Swiss Society for Threatened Peoples, Switzerland”, Switzerland is on average importing between 2,000 to 5,000 tons of gold per year, and in recent years more like 5,000 tons per year. One should consider this against the total estimated worldwide annual gold production of about 2,400 – 2,500 tons. Most of it comes from the UK, Wiedmar says.

In other words, Weimar is saying that the UK recycles already refined gold through Switzerland, apparently reshaping the gold bars, most of them likely for export to India which requires different bar sizes. As the old saying goes, if it looks like money laundering, quacks like money laundering, guess what .....

Interestingly, both the UK and Switzerland make it to the best ten in the Transparency International Index of ‘perceived’ corruption. Both countries are havens for white collar criminals that function totally legally under the protection of their respective government.

Graham Vanbergen – truepublica.org.uk

Articles Par : [Graham Vanbergen](#)

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