

Some US companies still failing to meet conflict minerals rules, GAO says

By [David Lewis](#)

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Some US companies buying minerals from countries including the Democratic Republic of Congo and its eastern neighbours are still failing to properly authenticate that the metals don't come from conflict zones, the US Government Accountability Office (GAO) said in a report.



A miner washes gold at Makala gold mine camp near the town of Mongbwalu in Ituri province, eastern Democratic Republic of Congo. 2018.
Source: Reuters/Goran Tomasevic

A number of companies sourcing minerals such as tin, tungsten, tantalum and gold are also failing to meet disclosure requirements with the US Securities and Exchange Commission (SEC) on their activities, GAO said in its analysis.

US-listed companies are obliged to inform the SEC and investors that minerals entering the global supply chain aren't from mines that use child labour and fund armed groups.

Due diligence to check if the minerals originate from conflict zones could be done using supplier surveys, smelter and refinery audits as well as traceability methods.

Some companies are facing challenges conducting due diligence and while some reports go beyond SEC rules, there are others that don't file reports at all, GAO said.

This is mostly due to "difficulties getting needed information because of lack of access to suppliers and complex supply chains", GAO added.

"Some industry stakeholders noted that other companies may be reporting incomplete information, or not filing at all because of a perception that they are unlikely to face enforcement action by the SEC if they do not comply with the conflict minerals disclosure requirements."



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The US law requires listed companies to disclose whether their products contained tantalum, tin, tungsten or gold from Congo and its east African neighbours because of the role the minerals play in fuelling conflicts in the region.

An estimated 53% of companies that conducted due diligence last year "ultimately could not determine whether any of the conflict minerals used in their products may have originated in covered countries", the GAO report said.

"We also found that an estimated 35% of companies reported that their minerals may have originated in covered countries," it added.

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