

# Mining company tied to Reno facing new scrutiny for operations in Guatemala

**Jose Olivares**, Reno Gazette-Journal 4:02 p.m. PDT September 6, 2016



(Photo: Jose Olivares/RGJ)

A mining company with offices in Reno is facing renewed scrutiny by a Canadian and a Guatemalan silver mine.

The Justice and Corporate Accountability Project, which represents human rights, asked the U.S. Securities and Exchange Commission to investigate Tahoe Resources, a company that owns the Escobal Mine in southern Guatemala. The organization does not disclose lawsuits to investors.

The lawsuits attempted to negate voting referendums organized by local communities which overwhelmingly rejected the mine's operations. The lawsuits were later dismissed by Guatemala's highest court, and were legal and legitimate.

The lawsuits were not binding, so the company was not required to disclose the information to investors, said Edie Hofmeister, president of corporate affairs.

"The lawsuits were not disclosed because they are not material," Hofmeister said. "They are not material because they are not material within the law — either in Canada or in the U.S. Because that legislation was not binding, it was not seen as a disclosure by the company."

Shin Imai, the attorney who wrote [the report for the Justice and Corporate Accountability Project \(http://niscgua.org/wp-content/uploads/2016/08/SEC-DisclosureAug2016.pdf\)](http://niscgua.org/wp-content/uploads/2016/08/SEC-DisclosureAug2016.pdf), said the lawsuits should have been made public in documents to investors for them to use to pressure the company without community support.

"Those are the official documents that investors go to, to get information for investing," Imai said. "That's what they rely on to invest in the mine or sit and research."

In early 2015, Norway's Government Pension Fund, a wealth fund owned by the government of Norway, divested from Tahoe Resources. [A report from its own investigation found \(http://etikkradet.no/files/2015/01/Council-on-Ethics-2014-Annual-Report.pdf\)](http://etikkradet.no/files/2015/01/Council-on-Ethics-2014-Annual-Report.pdf) there was "an undue influence contributing to serious human rights violations through its operation in Guatemala." For this reason, they decided to divest.

"Tahoe has not violated human rights and the fact that Norway would divest because of allegations of human rights violations is not an American concept of innocent until proven guilty," Hofmeister said.

However, Imai sees the independent investigation by Norway as significant in the case.

"The fact that the Norwegian fund has divested is important because it's not just nosy NGO's trying to make a fuss, they actually did a thorough investigation themselves and they decided to divest," Imai said.

The mining company's Guatemalan operation has faced criticism by human rights organizations for causing [instability in](#)

<http://www.bbc.com/news/world-latin-america-27678668>).

Last fall, activists from Network in Solidarity with Guatemala and the Progressive Leadership Alliance of Nevada [brought activist to Reno](/story/news/politics/2015/10/12/reno-based-mining-company-becomes-focus-protest/73840934/) from California at the Tahoe Resources offices in Reno, which is the company's headquarters. The police were called but no arrests were made.

The Escobal Mine began its commercial operations in 2014. However, the road to [operations was turbulent](http://www.rgj.com/statements/public-statement-on-tahoe-resources%E2%80%99-escobal-project), with local communities, non-governmental and international human rights organizations criticizing the potential impact of the mine.

In 2011, nearby communities began to organize protests and votes, reflecting worries around the contamination of water and the impact on the local environment as a result of the mining operations. According to a report by the Toronto Star, communities near the mine [voted against Escobal's operations](https://www.thestar.com/news/world/2016/08/11/canadian-company-tried-to-stop-referendum-against-escobal-s-operations).

"We've observed the community referendums and they go through a rigorous democratic process to get to voting," said a representative from Network in Solidarity with Guatemala.

When the mining operations did not stop, the opposition began to heat up and protests escalated to stop the mine. In April 2013, a student was shot by the company's private security guards during a protest.

"The person managing the security acted outside of authority," Hofmeister said. "If there's a discharge of bullets, even one death would not be a security practice that the company would stand by."

In May 2013, Guatemala's president at the time, Otto Perez Molina, declared a state of emergency near the mine and dispersed the protesters.

According to the Justice and Corporate Accountability Project and a [report by the BBC](http://www.bbc.com/news/world-latin-america-27678668), several anti-mining activists and community organizers against the Escobal Mine have been killed, including a local indigenous community organizer Topacio Reynoso.

"It's outrageous to associate us with any murders in Guatemala," Hofmeister said. "Guatemala is a wonderful country with a strong commitment to human rights training to our employees and security guards."

According to Hofmeister, Tahoe Resources contributes positively to the communities by funding schools, education and healthcare.

However, activists say the voting rights and decisions taken by the communities against the mine should be respected.

"The legitimacy of the community complications is key," said Kaump. "The rights the community has to decide what kind of mining operations are acceptable have been violated. It is necessary for investors and companies to respect those decisions."

Read or Share this story: <http://on.rgj.com/2cz2GTV>

