



Mining and Metallurgical Society of America

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Professional Ethics - Part 2 **Anti-Corruption and Bribery**

MMSA Ethics Webinar

The free one-hour ethics webinar follows the MMSA Ethics Webinar presented July 15. The main topic focuses on how mining companies address corruption and bribery when working internationally. Often in other countries, bribery or payments to individuals or organizations are necessary to do business. In the U.S. a company is required to follow laws against bribery, so how can a company do business when 'bribery' is the only way to get things done.

Five panelists will present their ideas and experiences on this topic.

- David Abbott, Consultant (experience in many countries and prolific writer on ethics topics)
- Barney Guarnera, Broadlands Advisory LLC (worked on many international projects)
- Michael Nees, Consultant (experience includes Bechtel, Newmont, and other companies)
- Mark Jorgensen, Consultant
- John Fognani, Attorney

The following questions and comments were submitted during the presentations.

Len Harris - Dear Friends, My name is Leonard Harris and I have three questions to put before you.

1. When giving or receiving gifts, at what level does this become a bribe from a monetary point of view? \$1,000, \$10,000, \$100,000 or more?

2. During my time as general manager of Minera Yanacocha in Peru, one of my superintendents was offered a gift of a ticket and roundtrip airfare tickets to USA and free hotel and meals for several days to attend a Super Bowl football game in the USA. My superintendent had the good sense to ask me about it, and I told him to return it, which he did. Did I do the right thing?

3. Another situation on my watch as GM of Yanacocha was a complaint from some nearby land owners, together with a threatening letter from the catholic church, to sue us as invaders for building roads and drill pads on the landlord's land without their permission. It should be noted that such actions were at that time approved by the government as a legal action. I invited the land owners to a meeting and a local priest as a mediator to discuss this matter. We arrived at an agreement and, under the suggestion of the priest, I offered them sheep and to pay for the restoration of the land if they desired. They agreed. Could this action be considered as bribery? A British journalist published the story in the London Financial Times under the heading, "Harris' Sheep Solution."

Mark Bowron - For Barney: Discuss the difference between a bribe and a customary tip in terms of the \$ dollar amount.

Alister Horn - John, can you get into the difference between a bribe and a facilitation payment?

Francisco Sotillo - Is a working lunch for coordination of operations considered bribe?

Vivek Galla - This is more of a comment than a question. Last week at the company I work for the CEO provided an update that one of the Senior Leadership person got discharged from his duties effective immediately due to ethics issue. I was impressed with one of the statements of our CEO: "no person is above the company".