

106TH CONGRESS
2D SESSION

H. R. 5147

To prohibit the importation of diamonds mined in certain countries, and
for other purposes.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 12, 2000

Mr. HALL of Ohio (for himself, Mr. WOLF, and Ms. MCKINNEY) introduced
the following bill; which was referred to the Committee on Ways and Means

A BILL

To prohibit the importation of diamonds mined in certain
countries, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Consumer Access to
5 a Responsible Accounting of Trade Act of 2000”.

6 **TITLE I—PROHIBITION ON**
7 **IMPORTS**

8 **SEC. 101. PROHIBITION ON IMPORTS.**

9 No diamonds that have been mined in or exported
10 from the Republic of Sierra Leone, the Republic of Libe-

1 ria, Burkina Faso, the Republic of Cote d'Ivoire, the Re-
2 public of Angola, Guinea, Togo, or Ukraine may be im-
3 ported into the United States, except for diamonds—

4 (1) the country of origin of which has been cer-
5 tified as the Republic of Sierra Leone by the inter-
6 nationally recognized government of that country, in
7 accordance with United Nations Security Council
8 Resolution 1306 July 5, 2000; or

9 (2) the country of origin of which has been cer-
10 tified as the Republic of Angola by the internation-
11 ally recognized government of that country, in ac-
12 cordance with United Nations Security Council Res-
13 olution 1173 of June 12, 1998.

14 **SEC. 102. WAIVERS.**

15 (a) **CERTIFICATION OF NO TRANSSHIPMENT.**—The
16 Secretary of the Treasury may waive the prohibition under
17 section 101 with respect to a country listed in that section
18 if the Secretary certifies to the Congress that diamonds
19 mined in Sierra Leone or Angola are not being trans-
20 shipped through that country for the purpose of evading
21 any prohibition on trade in diamonds exported from Sierra
22 Leone or Angola.

23 (b) **NATIONAL SECURITY INTERESTS.**—The Presi-
24 dent may waive the prohibition under section 101 with re-
25 spect to a country listed in that section if the President—

1 mined. Such certificate shall be legible and reason-
2 ably conspicuous on the outermost container in
3 which the diamonds or diamond products ordinarily
4 are sold to the ultimate purchaser in the United
5 States.

6 (2) The importer of record of diamonds or dia-
7 mond products shall be responsible for the certificate
8 required by paragraph (1).

9 (b) REQUIREMENT APPLICABLE TO PARCELS OF
10 DIAMONDS.—The Secretary of the Treasury may by regu-
11 lation provide that the requirements of subsection (a)
12 apply to parcels of diamonds that are imported, rather
13 than individual diamonds.

14 **SEC. 202. ENFORCEMENT.**

15 (a) IN GENERAL.—Whenever the Secretary of the
16 Treasury determines that a person has violated section
17 201 or regulations issued thereunder, the Secretary may
18 issue an order assessing a civil penalty of not more than
19 \$50,000 for each violation or requiring compliance with
20 such section, or the Secretary may commence in the
21 United States district court for the district in which the
22 violation occurred a civil action for appropriate relief, in-
23 cluding a preliminary or permanent injunction.

24 (b) CRIMINAL PENALTIES.—Any person who willfully
25 or with the intent to defraud violates subsection (a) or

1 (b) of section 201, or any regulation issued thereunder,
2 shall—

3 (1) upon conviction for the first violation under
4 this subsection, be fined not more than \$100,000, or
5 imprisoned for not more than 1 year, or both; and

6 (2) upon conviction for the second or any subse-
7 quent violation under this subsection, be fined not
8 more than \$250,000, or imprisoned for not more
9 than 1 year, or both.

10 (c) EXEMPTION.—If diamonds or diamond products
11 do not comply with any requirement of subsection (a) or
12 (b) of section 201 or any regulation issued thereunder,
13 and the Secretary determines that no fraud or willful ne-
14 glect was involved in the failure to so comply, the Sec-
15 retary shall afford the person responsible for complying
16 with such requirement a reasonable opportunity to provide
17 the certificate required by section 201(a) or the statement
18 required by section 201(b), as the case may be.

19 **SEC. 203. EXEMPTION AND WAIVERS.**

20 (a) EXEMPTION.—The Secretary of the Treasury, in
21 concurrence with the Special Representative on Conflict
22 Diamonds appointed under section 401, may exempt from
23 the requirements of section 201 diamonds and diamond
24 products that are valued below a minimum dollar amount
25 determined by the Secretary.

1 (b) WAIVERS.—The Secretary of the Treasury may
2 waive the requirements of section 201 for periods of not
3 more than 1 year each if, for each waiver—

4 (1) the Secretary determines that—

5 (A) it is not possible to determine, in a
6 cost-effective manner, the country in which the
7 diamonds imported into the United States were
8 mined; or

9 (B) an effective system, such as the system
10 described in title III, is otherwise being imple-
11 mented that prevents the importation of dia-
12 monds, revenues from the sale of which would
13 be used to support continued conflict in the re-
14 gions in which the diamonds were mined; and

15 (2) the Secretary submits that determination,
16 and the basis for the determination, to the Congress.

17 **SEC. 204. REPORTS BY SECRETARY OF THE TREASURY.**

18 The Secretary of the Treasury and the Special Rep-
19 resentative on Conflict Diamonds shall, not later than 6
20 months after the date of the enactment of this Act, and
21 not later than the end of each 12-month period thereafter,
22 submit to the Congress a joint report on the feasibility
23 of identifying the country in which diamonds, both rough
24 and cut, were mined.

1 **TITLE III—INTERNATIONAL**
2 **EFFORTS**

3 **SEC. 301. FINDINGS.**

4 The Congress finds that—

5 (1) the use of funds from the illegitimate dia-
6 mond trade to support conflicts in Africa has dev-
7 astating effects on the peoples of the regions in-
8 volved in the conflicts;

9 (2) United Nations Security Council Resolu-
10 tions 1306 and 1237 prohibit the importation of
11 rough diamonds from Sierra Leone and Angola, ex-
12 cept those accompanied by a certificate of origin
13 issued by the government of that country; and

14 (3) the initiative of the diamond industry, as
15 presented in the Resolution of the World Federation
16 of Diamond Bourses and the International Diamond
17 Manufacturers Association in Antwerp on July 19,
18 2000, as well as the progress of the South African
19 led Working Group on African Diamonds, in devel-
20 oping proposals for a global certification and moni-
21 toring system for diamonds, are important steps to-
22 ward international controls on “conflict” diamonds.

23 **SEC. 302. ACTION BY EXECUTIVE BRANCH.**

24 The Congress urges the President—

1 (1) to take immediate action to develop and im-
2 plement, together with other governments and orga-
3 nizations, an effective international system for con-
4 trolling trade in rough diamonds and to direct the
5 appropriate Federal departments and agencies to
6 begin planning for implementation of such a system;
7 and

8 (2) once a global certificate of origin system for
9 rough diamonds is in place, including forgery-proof
10 certificates of exports, secure packaging, import and
11 export controls, and an international diamond data-
12 base, to take appropriate steps to fully adhere to
13 this system, and to actively promote international
14 compliance.

15 **TITLE IV—SPECIAL REPRESENT-**
16 **ATIVE ON CONFLICT DIA-**
17 **MONDS**

18 **SEC. 401. SPECIAL REPRESENTATIVE ON CONFLICT DIA-**
19 **MONDS.**

20 (a) APPOINTMENT.—The President shall, not later
21 than 3 months after the date of the enactment of this Act,
22 appoint a Special Representative on Conflict Diamonds.
23 The Special Representatives on Conflict Diamonds shall
24 hold office at the pleasure of the President and shall have
25 the rank of Ambassador.

1 (b) FUNCTIONS.—The Special Representative on
2 Conflict Diamonds shall have the following functions:

3 (1) To serve as chairperson of an interagency
4 working group established by the President to ad-
5 dress the issues relating to the use of proceeds from
6 the sale of diamonds mined in certain regions in Af-
7 rica to support armed conflict in the countries in
8 these regions. The interagency group shall include
9 representatives of the Department of the Treasury
10 (including the Customs Service), the Policy and
11 Planning Staff and the Bureau of Democracy,
12 Human Rights, and Labor of the Department of
13 State, the Office of the United States Trade Rep-
14 resentative, and the Department of Commerce.

15 (2) To represent the United States at inter-
16 national meetings on the issues described in para-
17 graph (1).

18 (c) REPORTS TO CONGRESS.—The Special Rep-
19 resentative on Conflict Diamonds shall submit to the Con-
20 gress, not later than 6 months after the date of the enact-
21 ment of this Act, and not later than the end of each 6-
22 month period thereafter, a report on the following:

23 (1) In consultation with the intelligence commu-
24 nity, on the export of diamonds—

1 (A) from countries subject to an embargo
2 imposed by the United Nations on imports of
3 diamonds from those countries; and

4 (B) from countries through which dia-
5 monds subject to such an embargo are trans-
6 shipped in order to evade the embargo, includ-
7 ing Liberia, Burkina Faso, Togo, Cote D'Ivoire,
8 and Ukraine.

9 (2) On the development of the proposals relat-
10 ing to the commercial importation of rough dia-
11 monds that were adopted in the resolution of the
12 World Federation of Diamond Bourses and the
13 International Diamond Manufacturers Association in
14 Antwerp on July 19, 2000, including the status of—

15 (A) regulations of the countries that are
16 the major exporters and importers of diamonds,
17 relating to exports and imports of diamonds;

18 (B) international monitoring and inspec-
19 tion of diamonds that are traded; and

20 (C) an international computer registry of
21 diamonds, and a means of determining the in-
22 digenous mining resources of exporting coun-
23 tries.

- 1 (3) On the development of technologies to mark
- 2 diamonds and technologies to identify the source of
- 3 diamonds after they are polished.

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