

**Independent Consultants' Report of the Initial Due Diligence Scoping
Review of OPIC funded AMPCO (CMS and Noble Affiliates) Project in
Equatorial Guinea
22 September – 1 October 2000**

INTRODUCTION

Two Independent Consultants (IC) were contracted by OPIC to conduct the initial due diligence scoping review of the OPIC funded AMPCO Project in Equatorial Guinea.

Kenneth Kim is Operations Co-ordinator of the Commission for the Verification of Corporate Codes of Conduct (COVERCO), based in Guatemala City, Guatemala. COVERCO's mission is to provide independent monitoring of living and working conditions of workers in Guatemala. COVERCO conducted the due diligence review of OPIC funded electrical power sector in Guatemala.

Viky Sosa, is Program Assistant of the International Labor Rights Fund (ILRF). ILRF is a Washington D.C. based human rights organisation that advocates and litigates on issues of international labor rights, often on behalf of workers and worker organisations in the developing world.

The IC accompanied a delegation that initially included Greg Maggio – OPIC, and Edmund McWilliams – State Department. The four-person delegation first visited Yaounde, Cameroon. In Yaounde the delegation met with U.S. Ambassador John Yates and other members of the U.S. Embassy, Steve Hilbert of Catholic Relief Services, UNICIEF representative Pascal Villeneuve, UNESCO representative Cheikh Tidiane, and Ambassador Purificacion Angue Ondo and First Secretary Toribio Obiang Mba Meye of the Equatorial Guinea Embassy. A flight delay from Yaounde to Malabo permitted Maggio, Kim and Sosa to meet with Francis Jones, DCM of the U.S. Embassy in Yaounde.

The group arrived in Equatorial Guinea on 24 September. There, they were joined by Steven Smith –OPIC Finance Department and Mac Deshazer –Department of Labor. The hosts included Haroun Khawaja of CMS Energy from the U.K., Ken Keag, Vice President – Africa, of CMS, and Ron Mann, Construction Manager for AMPCO.

COUNTRY PROFILE

Equatorial Guinea occupies a sliver of the African continent, bordering Cameroon and Gabon. Part of the country is the island of Bioko where the capital city of Malabo is located. The country is unique as the only Spanish speaking country in continental Africa. Recently discovered oil is the engine of its new economy.

Spain granted independence to Equatorial Guinea in 1968. In the first few years following, the country enjoyed relative prosperity. Those years were followed by the dictatorship of Francisco Macias Nguema, who ruled with an iron fist between 1971 and 1979. By most accounts, the current president, Teodoro Obiang Nguema Mbasogo has continued the tradition of totalitarian dictatorship. The 1999 State Department Country Human Rights Report is critical of the Obiang regime.

AMPCO PROJECT DETAILS

OPIC is currently processing applications for financing and political risk insurance respectively to support the construction and operation of the AMPCO methanol plant. Projected production estimates are 2,500 metric tons of methanol per day from residual gas that would otherwise be flared.

The AMPCO project is nearing completion of the construction phase. The workforce has been gradually reduced since the peak construction period in April of this year. Workers are being decommissioned regularly. By December it is estimated that the workforce will be a fraction of its current numbers. Raytheon Engineers & Constructors, registered in Equatorial Guinea as Energy Overseas International Inc. (EOII), is the primary Engineering, Procurement and Construction (EPC) contractor that was awarded the turn-key contract. The project is at a pre-commissioning stage and system testing from construction to operational phase is beginning. The power turbines are already up and running according to management officials.

SOURCES of INFORMATION

The information contained in the IC report was acquired from a variety of sources. Formal and informal interviews were held with representatives of the management of AMPCO, EOII the EPC contractor, other sub-contractors, workers contracted by the aforementioned, and government and non-governmental organizations and officials. Documents were requested and attained from a number of these sources.

Time was the most important constraint factor for this initial scoping due diligence review. The IC visited Equatorial Guinea between 24 September and 01 October. Days 1 and 2 were planned by the hosts and included meetings with government ministers and functionaries. A maximum of 4 days was available to conduct interviews with workers and mid-level management officials, where the bulk of the information contained in this report was attained.

LIMITATIONS

Publicly there is limited information available regarding Equatorial Guinea. No individual on the interagency team or the IC had previous knowledge or experience regarding E.G.

As previously mentioned, time was the major constraint factor. While the size and scope of the review required the ICs to conduct numerous interviews with management and workers, it was impossible to interview the complete list of personnel for a variety of reasons. One key factor was the regularly scheduled staff rotation, which meant that not all personnel were on-site for interviews.

Despite the declining number of laborers on the project site over 700 workers were present during the due diligence visit. The majority of the current workforce is local and Third Country Nationals (TCN), primarily from the Philippines.

The ICs diverse cultural and professional backgrounds permitted reliable communication with the local and TCN workforce present on the site. Both IC are bilingual. AMPCO and its related contractors offered the ICs unhindered access to workers. Management was cooperative in providing the space when necessary to meet with workers and provided relevant documents when requested. The IC are grateful to management for their cooperation.

The IC focus on workers rights issues was limited to the construction phase of the project. The review included workers rights issues involving individuals directly hired by AMPCO, as well as the rights of individuals hired by contractors and sub-contractors associated with the project. The time limitation prevented ICs from reviewing all sub-contractors related to the project. Thus, emphasis was given to Raytheon or EOII, the primary EPC contractor, and its primary sub-contractors: MDK, INCAT, and FTF-APEGESA. (See appendix for complete listing of contractors and sub-contractors.)

The legal system is in a nascent stage. Workers generally do not have a notion of their rights. Time did not permit the IC to adequately investigate how workers can exercise their rights according to the current legal code.

FINDINGS

The report is organized in the following manner; taking into account internationally recognized worker rights:

1. Right of Association and Right to Organize and Bargain Collectively
2. Forced Labor
3. Minimum Age and Child Labor
4. Wages, Hours of Work and Hiring Practices
5. Occupational Health and Safety

1. Right of Association and Right to Organize and Bargain Collectively

Reports publicly available regarding human rights in Equatorial Guinea, including the U.S. State Department's 1999 Country Report on Human Rights Practices, press clippings, materials prepared by the E.G. exiled community in Spain reveal that workers' rights are limited and the country has a poor overall human rights record. E.G. law,

number 5/1999 dated 6th of December 1999 (appendix I), does include workers right to organize and to elect representatives of their own choice. In practice, there does not appear to be any concrete mechanism to allow workers to exercise these rights. The Labor Minister proudly pointed out that a small agricultural producers organization (OSPA) had recently received legal recognition as a union. He also added that the GREG wants to create conditions for more unions. Thus at present union activity is almost non-existent and the country has no known record of an existing union culture.

MANAGEMENT

The question regarding these rights was put forth to the GREG, management of AMPCO, and the EPC contractor. All espoused similar views regarding International Labor Organization Conventions 87 and 98, pertaining to the right of association and the right to organize and bargain collectively. GREG officials were consistent in presenting to the interagency monitoring group that the right of association and the right to organize and bargain collectively are currently rights granted under E.G. law. GREG officials and AMPCO management conditioned their response alluding to the fact that the country is “developing” and beginning to reform. There are no documented cases of E.G. workers associated with the AMPCO project who have attempted to exercise these rights. GREG officials explained that individuals who desire to exercise these rights will not be sanctioned by the state. Similarly, the management of AMPCO and its contractors explained that workers who exercise these rights will not be sanctioned. Management gave the example of a work stoppage initiated by the Filipino labor force. Management’s account of the incident generally coincides with workers’ accounts of the incident.

TCN – FILIPINO WORKFORCE

During an early part of the construction phase Filipino workers gathered and collectively directed a sit-in that lasted two and half days (one of these days included a Sunday). The Filipinos demands included higher wages, more than 1 bottle (1.5 liters) of drinking water per day, better food and the recreational facilities that they were promised before signing on, including volleyball and basketball courts and a swimming pool. Both workers and management interviewed stated that the sit-in ended by Monday morning. Workers received a 10% across the board pay raise, more drinking water and improvements in the food service. The ball courts were eventually built, but the swimming pool has yet to be constructed. All workers and management interviewed explicitly stated that no individual or group was reprimanded or fired for organizing or participating in the sit-in.

Given the fact that contracts are limited to a fixed period of no more than 2 years, most Filipino workers did not express a need to form a union. Some said that their supervisors would not like it and that they felt comfortable speaking to their supervisors if they had concerns. A few workers stated that a union would be good to present workers issues.

E.G. WORKFORCE

The opinions of the E.G. workers differed from those presented above. All E.G. workers interviewed by the IC universally explained that they did not have the right to organize, form a union or bargain collectively. All workers interviewed explained graphically that any attempt to organize would involve the risk of losing their jobs as the least severe consequence. All E.G. workers explained that the government would harm them and their family if they attempted to organize and form a union. A few of the workers went further to describe how such organizers would never see the light of day again if they attempted such actions. These workers said that they did not want to be imprisoned, tortured or killed like those who suffered as a consequence of the 1998 civil unrest or coup attempt. E.G. workers did not elaborate further about the incidents of 1998. Workers fear of the GREG was evident and undisguised.

The IC observed that E.G. workers are generally ill informed regarding their rights according to E.G. law. Workers however appeared to understand that they have some right to speak out when unhappy to project management. There is no formal grievance procedure implemented at the project site. Management explained that workers have the right to voice their concerns to their immediate supervisors. E.G. workers agreed that this indeed is the case, however, they explained when they have a “bad” supervisor they fear losing their job if they articulate their concerns. E.G. workers added that in general they prefer the expatriate supervisors to E.G. supervisors or management officials. Most explained that they are not comfortable voicing their concerns to a local supervisor for fear of losing their job or for fear of direct or indirect government retaliation.

2. FORCED LABOR

There was no evidence or signs of forced or compulsory labor used by the project. There was no evidence or signs of prison labor used by the project.

3. MINIMUM AGE AND CHILD LABOR

There was no evidence or signs of any person under the age of 16 working on the project in any capacity. The limited time factor meant that the IC did not spend much time investigating this issue. Generally jobs are scarce in E.G. It is considered a privilege to be working within the oil sector. Unemployment is widely acknowledged as a major social issue, thus the likelihood that a minor would take the place of an able adult in the project appears remote. With the exception of service jobs related to the catering contract the majority of the construction jobs require skills and training, making it further unlikely that a minor could be involved in the project

Many of the Filipino workers have prior experience working overseas. It is also unlikely that a Filipino worker under the age of 18 would be contracted to work on the project.

4. WAGES, HOURS of WORK and HIRING PRACTICES

Regarding issues of wages, hours of work and hiring practices, the IC interviewed workers and/or management of the three largest sub-contractors. Minimum wages in

E.G. are established by the GREG. Periodically the figures are revised via decree to take into account the actual economic conditions. Wages are classified according to the economic sector with the oil sector having the highest minimums decreed for all positions. Thus a janitor or night watchman classified within the oil sector would earn a greater salary than a janitor or night watchman classified within the service sector. One way the petroleum companies can avoid paying laborers the higher oil sector wages is to sub-contract an employment agency to hire and administer the necessary laborers. This is the case within the AMPCO project. Laborers acquired through FTF-APEGESA are paid service sector wages rather than oil sector wages. The result is an economic saving for EOII. Information regarding wages, hours of work and hiring practices is noted below according to each contractor

Raytheon – Energy Overseas International

Raytheon Engineers & Constructors, has an international arm, known as Energy Overseas International Inc. (EOII). EOII, the primary EPC contractor is legally registered to operate in Equatorial Guinea. EOII has less than 30 staff on its payroll at present. Those with the lowest salaries within this group are the “Field Hires” of Pakistani origin. All earn considerably more than E.G. minimum wage. No interviews were conducted with EOII workers regarding their wages, hours of work and hiring practices.

INCAT

INCAT, the British civil engineering company has a mixed workforce of local E.G. laborers, supplemented by Filipino and other foreign nationals for specialty crafts and technical jobs. INCAT’s wage levels for E.G. workers are the lowest of all the wage level data the IC received. Nonetheless INCAT’s wages are still above E.G. minimum. INCAT management provided the IC with wage information when requested. Time did not permit the IC to interview INCAT construction workers on site to determine if they had issues regarding wages, hours of work and the hiring practices of the company.

Management of INCAT shared some of their experiences regarding hiring local E.G. workers. When work at the project site began in 1997 INCAT hired an employment agency, MC & Lex Services, a labor brokers, owned by the current (and then) Minister of Justice. According to INCAT management, MC & Lex was totally incompetent, unable to fulfill its functions as a labor broker and service company. INCAT was forced to do the administration and payroll of the workers because MC & Lex frequently did not fulfill its duties to the workers. Pay was frequently short or workers were robbed because pay was given to workers in cash in an envelope. On one occasion MC & Lex was unable to meet payroll because they claimed that the payroll was robbed. INCAT was then forced to pay workers. According to INCAT, up to 500 workers were contracted through MC & Lex. INCAT pulled out of their contract with MC & Lex and the dispute is under litigation in the E.G. courts.

Currently all E.G. workers employed by INCAT are direct hires. According to the management interviewed, INCAT pays all legal benefits and respects the labor laws of the country. Management shared that there have been worker complaints and issues.

One alleged incident at the AMPCO project involved a work stoppage between 2 to 4 hours. Workers complained that they wanted hot food served for meals instead of cold sandwiches. They also complained of shortages in their payments and late payment of their wages. These issues were dealt with by INCAT. However, INCAT management got rid of the “trouble makers”, those who they considered to be the leaders of the work stoppage, because the Ministry of Labor assists in getting rid of them as long as the appropriate documents are filled out. According to INCAT, the Ministry of Labor officials have claimed that they “will not be obstructive” when dealing with “trouble makers.” While INCAT officials did not reveal further detail, these workers were laid off under the pretext that there was no work. They were not called back when INCAT continued work on the site. The IC were unable to receive further details from INCAT management. The lack of sufficient time prevented the IC from investigating this incident.

MDK

MDK is an employment agency providing the Filipino, Third Country Nationals (TCN), skilled construction workers. All MDK workers’ salaries are higher than those stipulated by E.G. labor law. During the construction peak MDK had over 700 Filipino workers. At present there are still over 300 Filipino workers on site provided through MDK.

The Filipino workers are hired through MDK's office in Manila. Howard Hunter, a manager with MDK, explained workers are screened carefully before being hired. The screening procedure includes an interview, an English competency exam and a practical and/or written skill test based on their craft or trade. A medical certificate is required before the worker is offered a contract. A briefing is provided to the worker and his family. Contracts are normally for one year, but always contain a clause that it may be shorter if the work is finished earlier.

A worker’s wage level is agreed upon prior to the worker leaving the Philippines. (MDK earns 40% of the wage paid by EOII for the worker). One return ticket is included in their contract. Normally workers cannot return home before the completion of their contract. If a worker quits prior to fulfilling their contract, the worker must pay for the value of the airfare. Pay is directly deposited into workers’ bank accounts in the Philippines. Workers receive an allowance of \$50/month normally, but no more than \$100/month from their pay while they are in E.G.

It is stipulated in workers’ contract that the normal daily work is based on 10 hours of work. The first 8 hours are paid normally and two hours is paid at 1.25 times the regular rate. The regular workweek is 6 days, but workers informed the IC that often they work 7 days a week. Overtime pay is based on E.G. rates, 1.25 times for normal overtime, and 1.5 times for premium and holidays. Filipino workers complained that this was not what they understood, claiming that it should be 1.5 times for regular overtime and double time for holidays and premium overtime. However, a worker contract provided by MDK management reveals that the overtime rates are stipulated in their written contract.

A copy of the worker contract provided by MDK and a payroll receipt is included in this report. See appendix II.

FTF-APEGESA

FTF-APEGESA is the joint venture (Spanish & E.G.) employment agency providing workers and services to AMPCO project. There are two types of contracts for FTF-APEGESA with EOII. The first contract is a “lump sum” catering contract. FTF-APEGESA is under contract to provide kitchen, laundry and housekeeping services. The second contract is to provide “manpower” or local labor for construction related positions.

FTF-APEGESA workers were generally cautious and fearful of speaking out regarding payroll, hours of work and hiring practice issues. The fear in workers’ faces was evident when describing the possible consequences of FTF-APEGESA management officials hearing about their complaints. It was only because the IC spent considerable amount of time in the presence of the workforce that they felt comfortable enough to approach and discuss these issues.

Currently, for workers hired as manpower for construction, EOII calculates workers’ pay and adds 15% of the total payroll as an “administrative” fee for FTF-APEGESA. Previously FTF-APEGESA deducted between 40-60% of the workers’ wages as its fee. EOII management received numerous and frequent complaints from workers. EOII took the initiative to change the structure of its manpower contract with FTF-APEGESA. EOII now has assumed the responsibility of logging and preparing timesheets for workers. Calculations for workers’ wages and requisite deductions are also prepared by EOII and then submitted to FTF-APEGESA. Workers acquired through FTF-APEGESA receive their wages from FTF-APEGESA who is their legal employer.

Contracting intermediaries such as FTF-APEGESA is of financial benefit to EOII. FTF-APEGESA is classified as a “service” agency and thus do not have to pay the employees oil sector wages.

The IC did not find any indication that there are workers who receive less than the minimum wage required by E.G. law. While the project does not provide for its own minimum wage, E.G. law is respected with all workers taking home no less than the minimum stipulated by law.

EOII management recounted during the early phase of construction there were incidents where workers experienced difficulty in receiving their proper pay and in a timely manner. They pointed out FTF-APEGESA did not have experience in managing such a large labor force. Another reason is the legal requirement that workers’ salaries must be paid in cash. Workers and project management confirmed that FTF-APEGESA had problems meeting payroll, both because of the lack of administrative ability and sometimes because of a lack of cash within the E.G. banking system.

Every FTF-APEGESA worker interviewed by the IC complained regarding payroll issues. Their primary complaint is that the agency takes a large cut of their pay. They explained to the IC what the project pays the agency is not the amount they receive. The IC investigated these worker allegations to the best of their abilities given the limited time available. Workers' pay vouchers indicate their base salary. Workers are paid at least this amount. The few worker contracts the IC were able to review indicated the base salary amount that was paid to the worker. It is apparent that E.G. workers do not understand how employment agencies function. Still, they do have some basis for their complaints regarding problems with their pay. Pay vouchers of over a dozen catering workers of various categories revealed that there is no clear indication on how the monthly wage totals are calculated. FTF-APEGESA personnel administer and calculate the timesheets and wages of these service workers. The most glaring problem is the fact that overtime hours worked is not specified on their payroll voucher. Most E.G. workers complained that their overtime does not correspond to what they should receive. The IC did not have sufficient time or access to payroll records to confirm or refute workers' allegations.

Catering workers do not receive a monthly time sheet from EOII unlike the FTF-APEGESA "manpower" workers contracted for construction related duties. These workers must sign in and out manually in the presence of FTF-APEGESA personnel. Catering workers also complained that the company does not pay partial hours. So if a worker works 10.5 hours, they are paid only 10 hours.

Some catering workers also complained that they are not given days off. Despite legal stipulations, workers claim that they are forced to work up to 7 days a week, 10-13 hours a day. When asked, FTF-APEGESA management claim that workers are paid for all overtime worked, they are not forced to work up to 7 days a week. The dining rooms are open 7 days a week.

The IC requested pay scale information from FTF-APEGESA of all of its employees. FTF-APEGESA provided the pay scale of construction workers only (appendix III) and did not provide any for the catering staff. Regarding deductions, FTF-APEGESA representatives stated that only legally mandated deductions are taken from employees' pay. These deductions include social security contributions (INSESO), any pay advances, and a "voluntary" donation for the political party of their choice. Workers explained that in order to use INSESO medical facilities, they must present an affiliation card from the social security ministry. By law this affiliation card should be provided to workers no later than two months after they begin work and paying contributions. Some workers allege they have not received the affiliation card despite making payments for six months, in a few cases for over a year. Workers complain that despite their contributions that are deducted they are unable to have access to medical attention. Workers also complained that they do not have a choice of which political party to contribute to and that this fee was not voluntary, but automatically deducted from their salary.

An informal survey of E.G. workers employed through FTF-APEGESA revealed that the majority are from the Fang ethnic group. Most have come to Bioko Island in search of jobs from the continental part of E.G. While they denied connections to the ruling party as a condition for receiving employment, the IC received numerous testimonies from expatriate workers and other E.G. workers that connections with clan, family, or ruling party members are important in acquiring a job at the AMPCO project. Some E.G. workers on salary or direct contract with the project and/or its parent companies (earning larger salaries than most other E.G. workers) are family members of the president, or those with strong ties to the presidential family.

During an interview with the camp chief, an FTF-APEGESA contract worker, IC asked whether or not political affiliation was a factor for local E.G. citizens to be hired. He pointed to the three nearest workers and indicated one was related to an owner of the company, another was a distant family or tribal member of the ruling president and another a distant family member of a company functionary. The IC did not have sufficient time and access to information to verify all such accounts, however there are many indications that political affiliation or ties to key individuals assist local E.G. workers in being hired by the project. Testimonies from a range of sources confirm that such a trend is not limited to the project, but is occurring in other oil sector companies.

Three FTF-APEGESA management personnel were interviewed. One question asked by the IC was regarding the ownership structure of the company. They were asked directly by the IC regarding allegations that FTF-APEGESA is a state owned company, or controlled by government ministers. All three FTF-APEGESA managers denied such allegations. They responded that it is a private company, in no way affiliated with the state-owned and run APEGESA. Contradicting testimony was received from other sources who claim that the ownership of FTF-APEGESA includes government officials and direct family members of the president of the E.G. The same sources revealed that hiring can be manipulated or controlled by these same individuals through their contacts.

The IC received only one account of anyone being fired or dismissed for reasons of political affiliation. Ron Mann, the Construction Manager for AMPCO, recounted that during the beginning of the project CMS and its contractor Raytheon hired some workers off the street. "Government officials" (not specified) let it be known that an individual should be dismissed because he was not a government supporter. The same government officials let it be known that the project should only hire workers through hiring agencies approved by the government. E.G. law legislates the use of these employment agencies by oil sector companies. Attempts requesting clarification or further details were unsuccessful. At present only 5 local people are direct hires of AMPCO

5. Health and Safety

All project officials interviewed stated that health and safety issues are of paramount importance. All the officials pointed out that up until July 2nd of 2000, they had an enviable safety record of 3 million safe man-hours accident free. The record ended when a fatality occurred. (See "Fatality" below).

All project officials, including David Blake EOII, in charge of safety stated that workers are provided with all requisite personal safety equipment. Safety procedures and policies applied are those of OSHA and Raytheon. Project officials indicate that their safety procedures and policies are far stricter than those required by E.G. law.

Project officials did admit that there have been problems with E.G. workers using the requisite personal safety equipment. They explained that initially many local workers were unfamiliar and uncomfortable using the issued equipment. They cited cultural unfamiliarity of workers with wearing safety boots and gloves. In addition project officials stated that many E.G. workers frequently “forget” or “lose” their glasses, gloves, hardhats and/or boots. According to project officials many of these items can be found for sale in the local markets. The project now has a policy of replacing safety equipment when they are handed-in, to be exchanged for new equipment. Some workers claim that this policy is not in effect since, because of the high incidence of loss, EOII is no longer replacing or issuing new safety gear. The IC also heard allegations that if workers arrive without their personal safety equipment; they must work without them. Some officials interviewed claim that workers are charged a fee to replace so called “lost” equipment. The price charged to workers is less than the value of the equipment and is applied to teach a lesson to the worker. No E.G. workers complained that they lack safety equipment for the performance of their duties. Filipino workers did complain that their overalls are not replaced and in fact that they are no longer being issued by the project.

Fatality

The most notable incident involved the onsite death of Dante Gonzalez, a Filipino worker. According to accident reports and eyewitness testimonies, the accident occurred when a large steel pipe being moved by a forklift, fell and hit the back of the head of Mr. Gonzalez. Numerous reasons are cited in the accident report as the cause of the accident. Most notable is the fact that the wrong equipment/tool was used for the job. Given the uneven terrain worsened by rain, a crane should have been used instead of the forklift. Furthermore the pipe was not secured properly on the forklift. The official accident reports document that there was inadequate communication between worker as well as between supervisors.

EOII has concluded that the death was “accidental”. David Blake, EOII safety officer informed that IC that he was unable to talk about the details of the accident under orders from Raytheon. Conversations with Filipino workers who either heard or witnessed part of the accident claim that blame should lie with the supervisor who did not heed previous objections to the type of work that went on when the accident occurred. According to workers interviewed, Filipino workers had informed their supervisors that the task was unsafe to do as instructed. Nestor Gaa (MDK worker 793), an eyewitness, testified in his accident report (Appendix IV) to EOII that *“At first we were hesitant to do the job but due to pressure from my superior we follow the order. We don’t want to use the Forklift in lifting the spool since it is not proper to use the said equipment in lifting spool and the ground condition was muddy and uneven. we are requesting for even a small crane.”*

Filipino workers interviewed allege that this was not the only case where their protests regarding safety were ignored. The daily morning workplace safety briefing was not held on the day of the fatality. It appears that the accident changed or called attention to requisite safety procedures. According to management daily safety briefings are the norm following the incident.

Other complaints from Filipino workers

Filipino workers also complained regarding their living quarters. They complained that their living quarters are cramped and overcrowded. EOII project officials confirmed that the barracks were not designed for so many workers. Workers also complained that no consideration is taken for placing smokers with non-smokers in dormitories.

The fact that some barracks are raised above ground creates problems during the raining season. Water collects on the bottom, creating breeding areas for mosquitoes. All foreign workers, project officials and medical personnel recognize that malaria is a major issue. The only way to prevent it is to take the drug mefloquin or larium, provided to all foreign workers. Filipino workers interviewed claim that the drug has adverse side effects affecting their physical and mental state. The result is that many workers prefer not to take it, despite having signed a document promising to do so as a condition of work. Some workers resent the order to take the pills.

Numerous individuals interviewed associated with the project noted that there are mental health concerns for Filipino workers. Expatriate professionals working for AMPCO, Raytheon or EOII are regularly rotated in and out of E.G. Filipino workers hired through MDK do not get their holiday until their contract, normally one year, is completed. The project site has limited recreation facilities for workers. A swimming pool was promised to workers before they left the Philippines, but was never constructed. Project management did explain that the environment is a construction area and mostly sandy/dirt terrain it would have been impossible to keep it clean. There are few alternative recreational options for Filipino workers. Most do not speak Spanish and have limited contact with the local culture, except for E.G. workers. Frequenting local watering holes, restaurants and places of prostitution are their major activities outside the project. Visits to these places often result in Filipino workers being robbed by unknown assailants as well as the local security forces.

Last Christmas a Filipino priest was flown in to boost workers morale during the holiday season. The IC were informed that this will probably not happen this year. According to a project official, GREG officials were not happy because a local priest was not hired in place of the Filipino. GREG officials could not understand the importance of having a Filipino priest for the Filipino workforce. Apparently GREG officials have “made it clear that this will not be permitted again.”

Food Service

The medical doctors on site regularly conduct health and safety inspections of food service areas as well as workers involved in the area. The doctor noted that most local workers are not vaccinated with routine vaccinations. Although technically the project

clinic is not to provide regular health care service to local workers an exception is made to kitchen staff workers. Filipino workers allege that the food provided is of poor quality and not hygienically prepared. The IC visited the two mess halls in the project. One is for E.G. and Filipino workers. The other dining hall is for supervisors and expatriates. There is an obvious difference in the service and quality of food, despite numerous project officials claiming that “we all eat the same food.”

Water

During the visit to the project the water from the well at the plant was not suitable for drinking. Project officials claimed that all workers have unlimited access to bottled water. Workers interviewed confirmed this policy, but indicated that this was not always the case. A group of workers informed the IC that they suspected a problem with some of the bottled water being provided. They showed the IC some bottles that appear to have small particles floating in the water. The medical clinic was testing the one brand that contained these particles on our last day in E.G

Appendix

I. List of Government Ministers Who Met with Delegation in Equatorial Guinea

President Teodoro Obiang*	(Maggio, Deshazer and McWilliams present only)
	Minister of Foreign Affairs
S.D. Cristobal MANANA ELA	Minister of Mines and Energy
Domingo MBA ESONO NAZANG	General Secretary, Ministry of Mines and Energy
Dr. Maye Nsue Mangue Ruben	Minister of Justice
D. Ricardo MANGUE OBAMA NFUBE	Minister of Labor and Social Security
	Acting Minister of Economy and Finance
	Ambassador of GREG to the USA

II. List of other contacts who met with delegation in E.G. or Cameroon:

Steve Hilcrest	Country Representative – Catholic Relief Services
Pascual Villeneuve	UNICEF – Cameroon and Equatorial Guinea
	International Red Cross
	Archbishop of Malabo
	Representative of the Papal Nuncio
	UNDP - Cameroon
*	Spanish Embassy, Malabo, Equatorial Guinea
*	Nigerian Ambassador, Equatorial Guinea
*	European Community Representative

* ICs not present during meetings with these contacts

III. Contact List from AMPCO, EPC contractor and sub-contractors:

Ken Keag - V.P. Africa	CMS Energy
Tomas Dickens Davis - Government Relations Manager	CMS Energy
Ron Mann – Construction Manager	AMPCO
Chuck Dirks – Construction Manager	EOII
Barry Williams - Operations Manager	AMPCO
George Colman - Technical Services	AMPCO
Jack Haverly – Administrator	EOII
David Blake – Industrial Safety	EOII
Howard Hunter – Director	MDK
Tony Meakin - General Manager	INCAT
Simon Slater	INCAT
Alberto Yeggue, Personnel Manager (EG national)	FTF/APEGESA
Carlos Ciordia (Spanish national)	FTF/APEGESA
Alejandro Owono – payroll (EG national)	FTF - APEGESA
Tony Meakin – General Manager	INCAT
Simon Slater – Project Manager	INCAT