

May 1, 2020

Jennifer Fain
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Sent via email: IGHotline@exim.gov

Ms. Fain:

We write regarding the most recent deaths that have occurred at the EXIM-supported Sasan coal plant and mine in India. This loss of life is completely unacceptable; the U.S. government should not be using taxpayer dollars to support such a deadly project. As a result of this tragic event, the OIG must reopen its investigation into the Sasan coal plant and mine.

On April 10, 2020, media reports state that a fly ash dam for the Sasan coal plant [burst](#), killing six people, including two children.¹ According to these reports, the massive flash flood of coal ash destroyed downstream rivers and fields and impacted hundreds of villages.² Five villagers and a worker at the Reliance site were swept up in a flow of fly ash and died.³ In total, the sludge traveled six kilometers, destroying crops and agricultural fields.⁴ Singrauli District Collector KVS Chaudhary reportedly stated that the breach occurred owing to the negligence of the plant and compensation will be given to the villagers.⁵ Reliance Power stated that the break in the ash dump yard wall pushed the water leading to a break in the boundary wall.⁶ The satellite image at the end of the letter shows the damage that the breach has caused on the river.

Tragically, these are not the first deaths to occur at Reliance's Sasan coal plant and mine. As you are aware, your office's [2015 Inspection and Report](#) of the Sasan coal mine and power project revealed 19 fatalities at the project. Monitoring reports submitted to EXIM by the project sponsor reveal that at least another eight deaths have occurred subsequently. The monitoring reports have only been provided through March 2018, so additional deaths might have occurred since then.

¹ *MP: Two Dead, Four Missing after Dyke of Reliance Power Plant's Fly Ash Pond Breaches in Singrauli*, Scroll, Apr. 11, 2020, <https://scroll.in/latest/958889/mp-two-dead-four-missing-after-dyke-of-reliance-power-plants-fly-ash-pond-breaches-in-singrauli>.

² Sudarshan Varadhan, *Two Dead, Four Missing after India Power Plant Dyke Gives Way*, Reuters, Apr. 10, 2020, <https://af.reuters.com/article/commoditiesNews/idAFL3N2BY29N>.

³ Alok Pandey & Anurag Dwary, *2 Dead, 4 Missing After Ash Leak from Reliance Power Plant in Madhya Pradesh*, NDTV, Apr. 12, 2020, <https://www.ndtv.com/india-news/5-missing-after-toxic-ash-leak-from-reliance-power-plant-in-madhya-pradesh-singrauli-2209878>.

⁴ Varadhan, *supra* note 2.

⁵ Darrell Proctor, *At Least Two Dead in Coal Ash Breach in India*, POWER, Apr. 12, 2020, <https://www.powermag.com/at-least-two-dead-in-coal-ash-breach-in-india/>.

⁶ *Id.*

The continuation of fatalities also demonstrates EXIM's failure to implement an effective grievance mechanism as recommended in the 2015 report. EXIM's [registry of complaints](#) lists a closed complaint for Sasan, stating that concerns about worker protections had been addressed with the improved enforcement of a safety regime and enhanced compliance monitoring. The continuation of deaths and lack of complete disclosure demonstrate that neither of these improvements are true.

We are among the stakeholder groups who in 2012 brought OIG's attention to a number of serious project concerns including a fatality. Since 2012, we, U.S. and Indian non-governmental stakeholder groups, have collaborated closely with local community members in the Sasan area. We have repeatedly brought serious environmental and human rights concerns (including ongoing fatalities) to the attention of EXIM. It is shocking and unacceptable that despite agency claims that these matters have been remedied, continued fatalities occur.

In addition to EXIM's \$917 million guaranteed loan to Sasan, EXIM signed [a \\$5 billion Memorandum of Understanding](#) with Reliance to support its purchase of gas-fired power and renewable energy generating equipment. To support Reliance's investments in these projects, EXIM issued a Letter of Interest, making available about \$400 million for the Samalkot power facility. Since these agreements were signed, Reliance has reached the verge of bankruptcy, defaulting on an \$86 million loan, which coincided with the end of the six-month deadline for implementing a debt resolution plan in India.⁷ In June 2019, Reliance extended the maturity of a debt repayment schedule to EXIM by three years for Samalkot Power plant to be paid by June 2022.⁸ EXIM's continued use of taxpayer money to Reliance puts into question whether proper due diligence was conducted. EXIM must correct these errors and immediately end its relationship with Reliance and require the debts to be repaid in full.

We request to meet with you to discuss this matter further and ask for a reply within the next five working days. To schedule a call, contact Kate DeAngelis at the information below.

Sincerely,

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⁷ *Insolvency Looms over Reliance Power, Second Anil Ambani Firm to Face Trouble This Week*, BFSI, Jan. 8, 2020, <https://bfsi.economictimes.indiatimes.com/news/banking/insolvency-looms-over-reliance-power-second-anil-ambani-firm-to-face-trouble-this-week/73154363>.

⁸ *Id.*

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Neha Mathew-Shah
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Annex

Photo 1. The location of the ash pond is in bottom left. The flow direction is from the bottom left to the top right. The affected area is outlined in red.

