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Multi-million dollar payments to Cambodia by French oil giant Total should be scrutinized by country's donors

Questions regarding oil and mining payments made to the Cambodian government should top the bill at June's donor-government meeting in light of an announcement by Prime Minister Hun Sen of a US\$28 million payment by French oil company Total, said Global Witness today. Hun Sen said on Wednesday that Total has paid US\$8 million into a social development fund as part of its agreement to explore for oil offshore, and an additional US\$20 million signature bonus to the government.

Global Witness contacted Total, which confirmed that this information was accurate. The payment was made in January 2010 for rights to offshore Block 3.

The news follows on from an announcement that the US Securities and Exchange Commission is investigating multinational mining company BHP Billiton for possible violations of anti-graft legislation. Neither BHP Billiton nor the SEC have officially confirmed that the enquiry relates to the company's activities in Cambodia but a number of press articles have stated that this is the case.

In its February 2009 report, *Country For Sale*, Global Witness detailed corruption and nepotism in the nascent extractives industry in Cambodia. The report showed how rights to exploit oil and mineral resources have been allocated behind closed doors by a small number of powerbrokers surrounding the prime minister and other senior officials. Its findings suggested that millions of dollars paid by oil and mining companies to secure access to these resources were missing from the central national accounts.

"We welcome the Prime Minister's openness on this latest round of oil payments, but we still don't know whether the money from Total has turned up in national accounts because the information has not been made public," said George Boden, Global Witness campaigner. "These latest developments reinforce the need for the country's donors – who last year provided the equivalent of over 50% of Cambodia's annual budget – to insist all payments are made public."

The 2007 data for petroleum concession revenue – the latest year in which this category appeared – only totaled \$21,000. Data from 2008 is inconclusive, and data from 2009 shows a combined revenue from both mining and petroleum concessions of nearly \$1.5 million. Data for 2010 has not been published yet.

"These figures represent only a fraction of the sum of the payments Global Witness is aware of. Overall, they raise serious questions," said Boden. "The people of Cambodia and governments who give development assistance have a legitimate right to know what happened to that money. Donors must use the upcoming round of donor-government meetings to ask some tough questions and get some answers."

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For further information please contact George Boden on 0207 492 5899 or 07912 516 445

Notes to editor:

1. In its February 2009 report, *Country For Sale*, Global Witness revealed that BHP Billiton had paid US\$1m to the Cambodian government in September 2006 in exchange for rights to explore a bauxite concession. Global Witness was unable to find any evidence that the money made it into national accounts. The same report detailed how other companies had paid millions to the Cambodian government in signature bonuses and social development funds to secure the rights to prospect for oil and minerals. These payments also failed to show up in the government accounts.
2. Figures for Cambodian government revenue are from the TOFE – 'Tableau des Operations Financières de l'Etat', Ministry of Economy and Finance. Figures in US\$ were accurate at the time of conversion from Riels, they have been rounded to the nearest figure.