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VOA Khmer

# Minister Fails To Explain Spending in Oil Revenue

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Council Minister Sok An has replied to a National Assembly inquiry about oil and gas development, saying nearly two dozen companies had been given licenses and oil giant Total had paid \$28 million for exploration rights.

But an opposition lawmaker said Friday the response was inadequate because it did not go on to explain where the millions were spent.

In a June 9 response to Sam Rainsy Party lawmaker Son Chhay, Sok An said 23 companies, including Chevron and Total, had received exploration agreements for oil and gas.

"But some of them left Cambodia, because our oil and gas resources could not be developed for trade," Sok An wrote.

Of \$28 million paid by Total to the government, \$20 million was paid as a signing bonus, \$6 million went to a social fund and \$2 million went to the "administration process," Sok An wrote, though he did not elaborate.

"The payment by companies were put into the account of the Cambodian National Bank, which is administered by the Ministry of Economy and Finance, and the Cambodian National Petroleum Authority. There was no payments directed to an individual, such as a government official."

Cambodia's management of its natural resources revenue has come under increased scrutiny lately, with environmental and development groups warning it lacks the proper mechanisms to utilize an expected upsurge in revenue.

Australian mining giant BHP Billiton is under investigation at the US Securities and Exchange Commission for possible corruption in Cambodia, after it paid millions of dollars into what it claims was as similar social fund, for which there is no apparent accountability.

"I cannot accept this response," Son Chhay said of Sok An's letter Friday. "This response does not show transparency in managing payment from companies."

The use of funds "has no transparency, no bank account and no procedures for keeping this fund," he said. "This response means there are irregularities and no transparency."

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