



Corruption Monitor

Issue 11 - October 2008

Monthly review of corruption-related stories in the Cambodian media

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THIS MONTH

On Transparency International's (TI) annual Corruption Perceptions for 2008 Cambodia scored 166 out of 180 countries ranked. Among the 32 countries in the region Asia Pacific, Cambodia was third from the bottom, with only Afghanistan and Myanmar scoring lower. The trend for Cambodia was slightly downward, as the Corruption Perceptions rank in 2006 was 2.1, in 2007 it was 2.0 and in 2008 the ranking is 1.8 on a scale from 10 (outstanding) to 0 (totally corrupt). Many observers quoted in the Cambodian press attributed the poor showing to lack of progress in passage of an anti-corruption law, resulting in a culture of impunity as officials are not punished for their involvement in land-grabbing, smuggling or other corrupt acts. There is no lack of discussion of corruption in the media – with the average number of stories in the newspapers and radio broadcasts monitored for this survey running at 565 per month. Corruption issues related to the economy covered by Cambodian media are highlighted on page 2.

CAMBODIA SINKS ON TI CORRUPTION INDEX

According to corruption ratings released by Transparency International (TI) on Sep 23, Cambodia ranks 166 out of the 180 most corrupt nations in the world, a further drop in Cambodia's already dreadful rating, local media reported September 25-27.

The drop reflects that graft has become more pervasive and uncontrollable in the Kingdom at the expense of the country's economic growth, *Moneaksekar Khmer* reported.

According to TI, Cambodia is the most corrupt country in Southeast Asia after Myanmar, *The Commercial News* reported.

Sek Bariso, director of the anti-corruption program of PACT Cambodia, said that, based on TI's report, Cambodia has only experienced a slight drop from 2007 when it ranked 162 out of 180 "most corrupt" countries, adding that the government should seek preventive measures and speed up the approval of the anti-corruption law, *Moneaksekar Khmer* reported.

"The corruption situation in our country is still not good, so the government must hurry to take measures to approve the anti-corruption law," Bariso was quoted on *VOD* radio.

Observers in Cambodia have recognized the corruption ratings issued by TI, saying that the assessment had been made based on the factual situation in Cambodia, where the recently completed third mandate government led by Prime Minister Hun Sen was riddled with corruption and epidemic bureaucracy in state institutions, which scared away international investors, wrote *Moneaksekar Khmer*.

Om Yentieng, head of the Governments' Anti-Corruption Unit, refused to comment on the TI report, *VOD* broadcast.

Both foreign diplomats and observers claimed that the corruption situation in Cambodia remains serious, which necessitates the speeding up of Cambodia's approval of the anti-corruption law and the establishing of mechanisms to prevent graft, *Rasmei Kampuchea* reported.

Prime Minister Hun Sen has recently declared the imminent implementation of anti-corruption programs in his new fourth mandate government's rectangular strategy, adding that legal and judicial reforms would also be made to combat corruption, according to *Rasmei Kampuchea*.

FISHY PROPERTY DEAL LANDS GENERAL IN JAIL

A three-star general and at least 10 others have been detained over the weekend for allegedly forging a prime ministerial notification that would have falsely permitted the sale of state property in Phnom Penh, newspapers reported September 23.

On September 22 authorities hauled in Infantry Deputy Commander General Men Vichet and 17 others for questioning over the forgery of Prime Minister Hun Sen's signature on a transfer of ownership of the Fishery Administration building on Norodom Boulevard to a local businessman, officials told newspapers. The sale was apparently worth over US\$1 million.

National Military Police Commander Sok Sokha confirmed that his forces and Interior Ministry police cooperated to hook Men Vichet, who is currently being held at the National Military Police's headquarters, *Kampuchea Thmey* reported.

In a military police report, Men Vichet denied falsifying the PM's signature but confessed to seeking commission from the deal. A military police officer explained that Men Vichet merely forwarded the alleged false notification to others in order to obtain commission fees.

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CLEAN BUSINESS INITIATIVE AIMS TO IMPROVE BUSINESS PRACTICES

Forty local and foreign businesses have endorsed the Clean Business Initiative (CBI), officially launched Sep 22 in Phnom Penh to create a certification for Cambodian businesses that adhere to best business practices, local media reported Sep 23-24.

The launch, funded by USAID- and ANZ Royal Bank, was attended by more than 100 business leaders from companies such as Acleda Bank, Morison Kak and Associates, Hagar Cambodia, ANZ Royal Bank. Also present were ambassadors, royal government officials and representatives of NGOs *Kampuchea Thmey* reported Sep 24.

Businesses that endorse the initiative commit to avoiding bribery or selling fake and unsafe products, operating with fairness and integrity and promoting reforms to the business environment, *Koh Santepheap* reported Sep 24.

Members who fail to uphold these policies will be stripped of their membership, which ANZ Royal CEO Stephen Higgins described as an embarrassing penalty, *The Cambodia Daily* reported Sep 23.

"For any business that wants to join, losing the certification will be damaging to their brand," Higgins said during the Sep 22 event, according to the English-language newspaper.

In Channy, president of Acleda Bank, said the CBI will create a

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CORRUPTION & ECONOMY

*A 2008 report of the Asian Development Bank (ADB) shows that commodity prices in Cambodia have increased from 35.4% to 36.9%, which is one of the highest inflation rates in the world, *Moneaksekar Khmer* reported Sep 1. According to the report, Cambodia is the poorest country among 16 countries with a majority of people living under the poverty line. Some economic analysts said the ADB 2008 report gives an appropriate evaluation of Cambodia's poor economic situation. Cambodia's debt to foreign countries is high and the country receives millions dollars aid from the international communities. Despite that the economic situation of Cambodia is still worse because of corruption and bureaucracy.

*During his 3-day visit US Deputy Secretary of State John Negroponte signed a bilateral agreement with the Cambodian government to provide

\$24 million grant to Cambodia through USAID to develop small and medium business, *Moneaksekar Khmer* reported Sep 15. The grant is also to support the fight against corruption, and to improve the health and education sector. Fighting corruption is a main concern for the US because corruption is the main cause of other major problems including human right abuse, an official of the US embassy said.

*Gasoline prices have slightly gone down after intervention by the government while the inflation of goods and services remain the same. Oil companies agreed a 100 riel (2.5 ct) decrease in gasoline prices, Finance Minister Keat Chhun announced after a meeting with the industry, *Moneaksekar Khmer* reported Sep 23. The Minister said that the gasoline each company has in store was bought during the earlier high oil prices. Opposition leader Sam Rainsy demanded transparency in the increase and decrease of gasoline prices to pre-

vent oil companies from increasing prices at will. Due to higher price of gasoline here compared with Thailand and Vietnam, businessmen bribe customs officials, economic police and other relevant officials to smuggle cheaper gasoline through all border crossings.

*Directly after its inauguration the government announced that legal and judicial reform and fighting against corruption will be priorities in its rectangular strategy, *Rasmei Kampuchea* reported Sep 27. Diplomats and political analysts consider corruption a serious problem in Cambodia, which needs to be tackled by implementing the Anti-Corruption Law. The previous government failed to pass the Anti-Corruption Law because of different reasons, but actually it should have been done already. The State of law is another important issue. The court has to play a model role in society to provide justice and eliminate corruption. This will attract investors and stimulate economic growth.

CAMBODIA UPS ANTI-CORRUPTION COOPERATION IN ASEAN BLOC

Eight countries in the Asean bloc, including Cambodia, Brunei, Malaysia, Indonesia, Philippine, Singapore, Vietnam and Thailand, have pledged to increase cooperation, information exchanges and provide mutual support in their efforts to fight corruption.

In late August 2008, the Cambodian Anti-Corruption Unit (CACU) sent four delegates to a Philippine session on a memorandum of understanding on the prevention of, and fight against graft in Asean bloc, said CACU President Om Yintieng, also a prominent advisor to Prime Minister Hun Sen.

The meeting aimed to urge all Asean countries to step up the fight against graft, building their capacities

Continued from page 1 CLEAN BUSINESS network of companies sharing the same business principles and that a training course will also be opened for businesses supporting the CBI, *Koh Santepheap* reported.

However, he added that the establishment of the CBI does not imply the government is falling short in its duty to combat corruption. Rather, it builds on the government's efforts to create a clean business environment, reported *The Cambodia Daily*.

Led by a nine-member steering committee, the CBI will draft new regulations to hone the business environment, collect information from member companies in an effort to highlight areas most in need of improvement, and host annual conferences, according to the English-language newspaper.

and establishing institutions to prevent and combat epidemic corruption. The exchange of information was a major priority with regards to money laundering, as well as information on financial espionage, corruption crimes and other concerns.

The eight Asean countries endorsed the signatures on the memorandum Sep 11, 2007. As part of an effort to fight corruption, Cambodia is also become a

member of UNTAC.

Deputy Prime Minister Sok An said during the anti-corruption forum that Cambodia had gained practical experience from UNTAC in amending its anti-corruption legislation. Prime Minister Hun Sen declared in a recent cabinet meeting that the anti-corruption bill will definitely be approved during the forth mandate government.

Kampuchea Thmey, Sep 17, 2008

Continued from page 1 FISHY PROPERTY

All the current detainees are believed only to have been angling for commission fees, while the main suspect, identified as Neang Sovanny, remains at large, *Rasmei Kampuchea* reported.

Police told reporters it is hunting for Neang Sovanny, who they believe could be somewhere in Sihanoukville municipality, after a search of her house on September 22 came up blank. To show her influence, Neang Sovanny reportedly uses five different names, including Hun Yani and Hun Mani, to appear as a blood relation of the Prime Minister, Hun Sen.

The alleged scam was uncovered

after an identified local businessman complained he had spent over US\$1 million to purchase of the Fishery Administration building based on the signature, which was later found to be fake, *Rasmei Kampuchea* reported.

During a graduation ceremony on Sept 17, Prime Minister Hun Sen spoke of the alleged signature forgery and ordered investigations.

Kampuchea Thmey noted that "offenders" are illegally using government notifications signed by the premier to deal in property business nationwide, warning the public and businesses to exercise caution.

The *Corruption Monitor* of the *Clean Hand Campaign* is produced every month by *Media Consulting & Development* as part of a year-long survey commissioned by *PACT Cambodia*. During this survey the following newspapers and radio news programs are daily monitored on corruption-related stories:
Rasmei Kampuchea, Koh Santepheap, Kampuchea Thmey, Moneaksekar Khmer, Sralanh Khmer and news broadcasts of *National Radio Kampuchea AM 918, FM 102 (Women Media Centre), Voice of Democracy (VOD on FM 105)*

and *Radio Free Asia (RFA on FM 102)*.

This review gives an overview of samples found. Corruption-related stories brought by other media are included if found relevant.

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www.pactcambodia.org

For questions: mmmt@mcdcambodia.com

DISTRICT POLICE CHIEF DENIES EXTORTION

Phnom Penh's Russei Keo District Police Chief, Chey Sosela, strongly denied *Kampuchea Thmey's* Sep-6 article titled "Three women detained in a prison for two days, and then released after extortion of US\$3,000", calling it false information and a misunderstanding.

Sosela confirmed the three named in the newspaper article were among a 200-strong mob that illegally and violently demanded the resignation of a chief monk, Hout Bun Thon, Sep 2. The angry mob accused the monk of failing in his duties to develop the local Varin pagoda. The district chief added that the protestors pelted police officials ordered to protect the monk chief with stones, resulting in serious injuries to the legs and heads of six policemen, who later lodged complaints against the three women arrested.

The women were accused of causing

chaos in the pagoda, illegally forcing the chief monk to step down, vandalizing pagoda property, injuring and preventing competent authorities from fulfilling their tasks, Sosela continued. He explained that the three accused asked that authorities help mediate in the case, and that the wounded policemen withdraw their complaints in exchange for US\$2,500 compensation.

After receiving the request and permission from his superior, Sosela said he ordered the release of the accused, with their money handed over to the injured police officials to pay for medical expenses. "This was just a compromise between the perpetrators and the victims," Sosela said, rejecting accusations that police demanded US\$3,000 but the perpetrators could only come up with US\$2,500.

Kampuchea Thmey, Sep 9, 2008

PRICE OF EXPORTED RICE REDUCED DUE TO EXORBITANT EXTORTION

Villagers in Banteay Meanchey province's Thmor Pouk district have repeatedly complained that Thai merchants are lowering their rice purchase prices excessively while the price of rice imported from Thailand skyrockets. The Thai traders reasoned that some of their profits are being used to bribe Cambodia-customs control officers stationed from Thmor Pouk district to the Boeung Trokoun border crossing at the Romeat commune, *VOD* reported Sep 14.

Khon Noun, a villager representative said that before the border dispute with Thailand, Cambodian farmers in the district sold rice to the Thais at 900 riel [about US\$0.22] per kilogram, but now sell it for only 700 riel [about US\$ 0.17], while the price of rice from Thailand has soared up to 160,000 riel [approximately US\$40] per 50kg.

Dan Ly, a representative of the Thai

merchants, said that over the last year hundreds of tons of rice have been exported from Banteay Meanchey province to Thailand, and that the price of the exported rice has now declined because eight illegal Cam-controls have been set up to extort money from Thai traders, ranging from US\$5-25 for each shipment.

However, Sun Sitha, Cam-control district police chief, denied the allegations, adding that police demand only a little money to make ends meet.

Sum Prosot, Thmor Pouk district governor, declined to comment on the issue, saying that it was not the obligation of local authorities to do so.

Thmor Pouk district villagers said they have never requested intervention from local authorities whom they have accused of being unwilling to tackle the problem.

charges these people from US\$300-500.

According to his letter, the district governor had said in 2007 that Daun Penh district established a commission to ban illegal construction and non-authorized house repairs. The commission is comprised of district land management officials and the 11 commune chiefs. Sambath claimed that Daun Penh district hall has not allowed any extortion from residents.

However, Sambath said that Daun

PHNOM PENH PEOPLE GRAB CONCESSION LAND IN KRATIE

Concession land in Kratie province's Snoul district awarded by the government in November 2007 to two companies - CIV Development Agri-Industry and Hai Yong Investment Agri-Industry - has been grabbed by merchants and instigators in Phnom Penh who hired poor residents from the province to clear forest in the area, *Kampuchea Thmey* reported September 2.

CIV Development Agri-Industry and Hai Yong Investment Agri-Industry received 2,000 hectares to invest in agri-industry for 70 years.

The firms claimed that most land grabbers are powerful people including Meas Pheak, deputy director of the Snoul Rubber Plantation Department, Try Chay, a rich Phnom Penh resident and Sak Saray, provincial deputy military police chief, who also ordered shooting in the air to threaten company work groups and protect those grabbing the concession land.

Kratie Deputy Provincial Governor Brak Savuth suggested that certain rich and powerful officials respect the law and that the culture of "winner gets land and loser gets money" should end.

LAND ENCROACHMENT BLIGHTS KEP'S NATIONAL PARK

Municipal authorities have failed to prevent illegal settlements encroaching into Kep Municipality's National Park, *Kampuchea Thmey* reported Sept 2.

An official who spoke on the condition of anonymity alleged that the owners of the anarchic buildings are mostly rich speculators, as well as local soldiers and police.

It is suspected that Kep municipal authorities are in cahoots with the perpetrators, as the issue has been raised many times but no clear action taken. The same source claimed that land grabbers had pooled money for bribes.

Kep's Municipal Governor, Hak Sareth, declined comment, referring questions to Kep district governor Chan Tha, who hung up when questioned.

Penh district hall did not completely deny that extortion could have taken place, as opportunistic people may have used Sok Penh Vuth's or other names to commit the extortion.

(Kampuchea Thmey, Sep 5 and 7)

GOVERNOR CLAIMS NO EXTORTION OF DAUN PENH RESIDENTS HAVING HOUSES REPAIRED

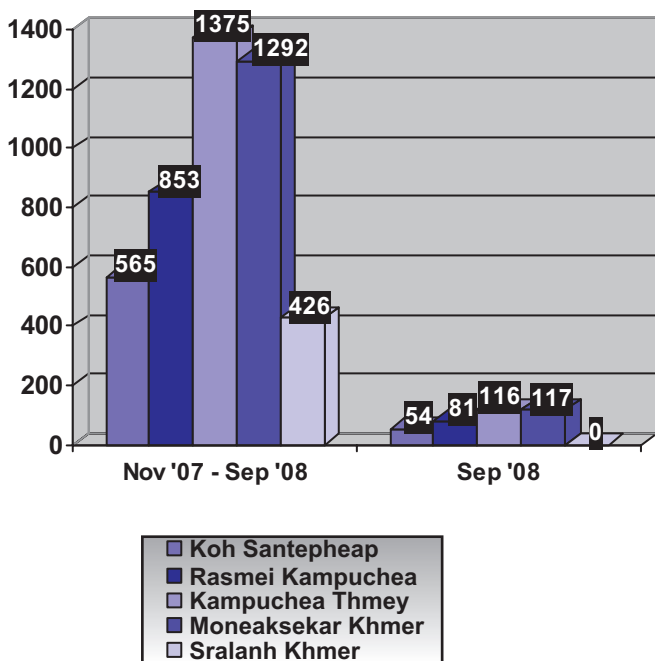
Daun Penh District Governor Sok Sambath released a letter Sep 7 to clarify *Rasmei Kampuchea's* Sep 5 article entitled "Daun Penh district's inspecting team that extorts money from owners repairing their houses."

The clarification came after a report that residents of Daun Penh district's 11 communes are not permitted to have their houses repaired unless they ask the permission of Daun Penh District Department Chief Sok Penh Vuth, who

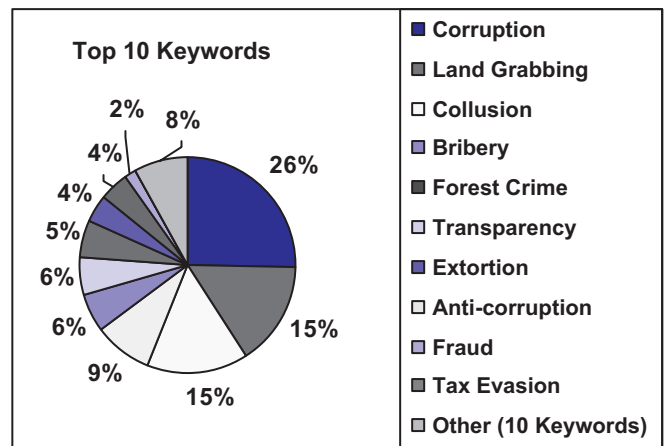
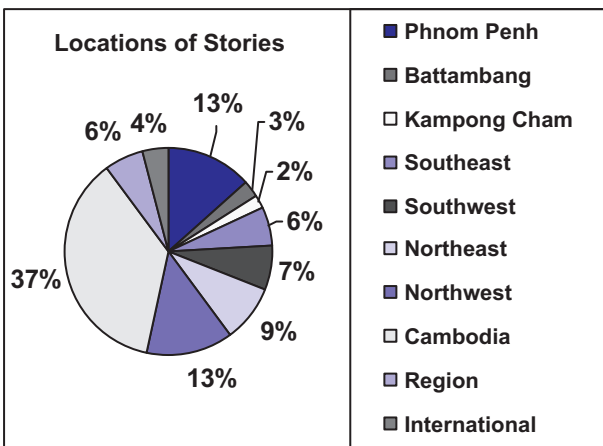
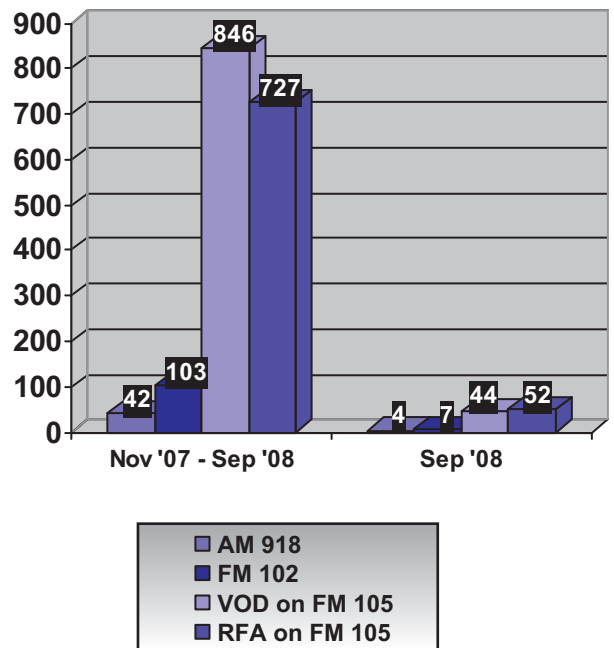
UPDATE SURVEY ON CORRUPTION-RELATED STORIES

តម្រង់ថ្មីនៃការស្រាវជ្រាវស្តីពីអត្តសញ្ញាណប្រកាសនិងអំពើពុករលួយ

Corruption-related stories per newspaper



Corruption-related stories per radio program



Between November 2007 and October 2008 all stories of five main Cambodian newspapers and four main radio news broadcasts are monitored daily on twenty keywords related to corruption. The survey assesses all stories on both quantitative and qualitative parameters. Above the 11th update with quantitative findings for November 1 to September 30.

Corruption story totals for both newspapers and radio dropped significantly in September. Compared to August, September political stories focused less on assumed election fraud, and more on who will be in the next government as senior officials. *VOD's* daily attention for corruption seems to have almost disappeared in its news programs since September 25. There might be a relation with the station's announcement since that date that it will move its news program to another frequency (*FM 106.5*). On October 1 *VOD's* broadcasts on *FM105* stopped.

ចន្លោះពីខែវិច្ឆិកា ឆ្នាំ២០០៧ និង ខែតុលា ឆ្នាំ២០០៨ គ្រប់រឿងទាំងអស់ដែលប្រមូលបានពីកាសែតភាសាខ្មែរចំនួន៥ និង វិទ្យុចំនួន៤ សំខាន់ៗត្រូវបានត្រួតពិនិត្យជាប្រចាំថ្ងៃលើពាក្យសំខាន់ៗចំនួន ២០ ដែលទាក់ទងនឹងអំពើពុករលួយ ។ ការស្ទង់នេះវាយតម្លៃលើរឿងទាំងអស់ ទាំងគុណភាព និងបរិមាណ ។ ខាងលើនេះ ជាព័ត៌មានថ្មីទី១១ ជាមួយនិងលទ្ធផលនៃបរិមាណរឿងពីខែវិច្ឆិកា ថ្ងៃទី០១ ដល់ ខែកញ្ញា ថ្ងៃទី៣០ ។

ចំនួនរឿងពុករលួយសរុបទាំងកាសែត និង វិទ្យុ បានធ្លាក់ចុះយ៉ាងគំហុកនៅក្នុងខែកញ្ញានេះ ។ បើប្រៀបធៀបទៅនឹងខែសីហា ចំនួនរឿងនយោបាយនៅក្នុងខែកញ្ញា មិនសូវផ្តោតទៅលើការលួចបន្លំសន្លឹកឆ្នោតដែលគេបានស្មានទុកនោះទេ ប៉ុន្តែបានផ្តោតទៅលើ ថាតើអ្នកណានឹងធ្វើជាមន្ត្រីជាន់ខ្ពស់ក្នុងរដ្ឋាភិបាលថ្មីច្រើនជាង ។ ការផ្តោតជាប្រចាំថ្ងៃទៅលើអំពើពុករលួយរបស់កម្មវិធីសម្រេចប្រជាធិបតេយ្យ ហាក់បីដូចជាស្ទើរតែមិនឃើញមាននៅក្នុងកម្មវិធីព័ត៌មានតាំងពីថ្ងៃទី២៥ ខែកញ្ញា មកម្ល៉េះ ។ បញ្ហានេះអាចមានការពាក់ព័ន្ធនឹងការប្រកាសរបស់ស្ថានីយវិទ្យុនេះ ដែលថាខ្លួននឹងប្តូរការផ្សាយកម្មវិធីថ្មីរបស់ខ្លួនក្នុងវិទ្យុ (*FM 106.5*) វិញ ។ នៅថ្ងៃទី១ ខែតុលា កម្មវិធីផ្សាយរបស់វិទ្យុសម្រេចប្រជាធិបតេយ្យ តាមស្ថានីយវិទ្យុ *FM105* បានឈប់ ។