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PRESS RELEASE

NEW REPORTS LINK TOTAL AND CHEVRON TO FORCED LABOR AND KILLINGS IN BURMA, DESPITE FLAWED IMPACT ASSESSMENTS

EarthRights International Reveals Burmese Regime Hiding Multi-Billion Dollar Gas Revenues in Two Offshore Banks in Singapore

September 10, 2009, Bangkok, Thailand -- EarthRights International (ERI) released two reports today linking oil giants Total and Chevron to forced labor, killings, high-level corruption and authoritarianism in military-ruled Burma (Myanmar). For the first time, ERI reveals that the military regime is hiding multi-billion dollar revenues from natural gas sales in two offshore banks in Singapore.

Based primarily on over two years of research, the first report, entitled ***Total Impact: The Human Rights, Environmental, and Financial Impacts of Total and Chevron's Yadana Gas Project in Military-Ruled Burma (Myanmar)*** explains that Total and Chevron's Yadana gas project has generated US\$4.83 billion dollars for the Burmese regime. The 110-page report explains how the regime would have excluded at least US\$4.80 billion dollars of that revenue from the country's national budget.

Citing "confidential and reliable" sources, ERI named the Overseas Chinese Banking Corporation (OCBC) and DBS Group (DBS) as the offshore repositories of Yadana gas pipeline revenues. OCBC is Singapore's longest established local bank and according to ERI holds the majority of the revenue, while DBS is Singapore's largest bank in terms of assets.

As a result of this revenue, Total and Chevron are a "leading external factor contributing to the regime's intransigence" and a primary reason why international and domestic pressure on the SPDC has to date been ineffective, according to ERI.

"The military elite are hiding billions of dollars of the peoples' revenue in Singapore while the country needlessly suffers under the lowest social spending in Asia," said ERI Burma Project Coordinator Matthew Smith, a principal author of the reports. "The revenue from this pipeline is the regime's lifeline and a critical leverage point that the international community could use to support the people of Burma," he added.

ERI is calling on the international community to apply targeted multilateral pressure to block these misappropriated revenues from international capital markets and to restrict transactions to and from the relevant accounts.

Photographs and interviews with hundreds of villagers in the area of Total and Chevron's gas pipeline, which generates the revenue, reveal forced labor, killings, and violations of property rights and freedom of movement connected to the Yadana Project.

"We can no longer do farming around our village because we don't have existing land [anymore]," said one villager whose land was confiscated by Total and Chevron's security forces.

“The work we have to do for the military is still happening,” said another villager, referring to forced labor for pipeline security battalions.

ERI details several killings of ethnic villagers by Yadana Project security and violations of freedom of movement. “We cannot move freely around,” said one villager last year, explaining restrictions imposed on her village by Yadana Project security battalions.

“Total and Chevron claim abuses have stopped in connection to their project but it’s simply untrue,” said ERI Program Coordinator Naing Htoo, another principal author of the reports and coordinator of ERI’s investigations in Burma. “Forced labor, killings and other abuses are being committed by Total and Chevron’s security forces while the companies mislead and lie to the international community about their impacts.”

Focusing on the many misrepresentations of the Yadana Project is another new report from ERI, entitled *Getting it Wrong: Flawed “Corporate Social Responsibility” and Misrepresentations Surrounding Total and Chevron’s Yadana Gas Pipeline in Military-Ruled Burma (Myanmar)*. Based on seven years of research, this 84-page report describes Total and Chevron’s public relations endeavors, including impact assessments commissioned by the companies since 2002. The impact assessments were conducted by the US-based CDA Collaborative Learning Projects (CDA).

ERI presents evidence proving that Total lied to the public when it claimed that the International Labour Organization (ILO) certified that the company eradicated forced labor in its project area. The ILO made no such statements and has publicly disavowed the claim as untrue and inaccurate.

The report also finds that CDA’s favorable assessments of Total’s impacts in Burma are inaccurate and misleading. ERI describes CDA’s methodology and findings as “deeply flawed” and especially problematic because investors, policymakers, and other oil companies rely on them as credible.

According to ERI’s Naing Htoo, “CDA willfully participated in whitewashing Total and Chevron’s impacts in Burma and their role in forced labor, killings, and other abuses.”

CDA reportedly visited “pipeline villages” on five occasions with escorts from the oil company, using interpreters provided by Total. CDA interviewed villagers in groups and in the presence of Total staff and military intelligence, and ERI documented how local villagers were warned by Yadana Project security about communicating the truth to CDA and other foreign visitors, under the threat of persecution.

“We did not say everything we knew clearly to these foreigners because we had been warned by the soldiers in advance,” said one villager quoted in the report.

“CDA’s assessments not only misinform about Total and Chevron’s impacts in Burma, but they effectively say that responsible investment in Burma’s extractive industries is possible, when it’s not,” according to ERI’s Matthew Smith. “With CDA’s assessments in hand, other oil companies think they can ‘get it right’ in Burma, like CDA claims of Total and Chevron, and that’s a misguided message that will ultimately harm communities living in the path of new projects,” Smith added.

ERI is not calling on Total and Chevron to divest from Burma, but instead to publish their payments to the Burmese authorities since 1992, to acknowledge a wider sphere-of-influence in their project area, and to clarify false and untrue statements about eradicating forced labor in their project area, among other recommendations included in the reports.

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