

Chevron accused of graft in Indonesian green project

March 17 2012



Indonesia on Saturday accused five Chevron employees of being involved in a scam to set up a fictitious green project that lost the state some \$270 million, a charge denied by the US oil giant.

Indonesia on Saturday accused five Chevron employees of being involved in a scam to set up a fictitious green project that lost the state some \$270 million, a charge denied by the US oil giant.

"The Attorney-General's Office (AGO) has named seven suspects, five of whom are from Chevron," the office said in a statement on its website.

"Provisional estimates show losses of around \$270 million," it said, adding the project appeared to be fictitious. But Chevron denied the allegations, saying that the land [restoration project](#) was "up and running."

The attorney-general did not disclose the nationalities of the Chevron suspects.

The other two suspects were from [government agency](#), the Indonesian Upstream Oil and Gas Agency, and had been questioned, said the AGO.

The case centres on a project on [Sumatra island](#), in which Chevron's Indonesian subsidiary was to clean up [soil](#) contaminated by its drilling activities.

Under a government programme, Chevron would be reimbursed for the work by the oil and gas agency.

According to Chevron, it paid two companies to carry out the project, but [investigators](#) said they believed the land restoration was never carried out.

The two companies -- Green Planet Indonesia and Sumigita Jaya -- did not meet technical classifications or hold the right certificates to engage in land restoration, according to the AGO statement.

"The two companies are listed as general companies or contractors. It seems that the project is fictitious, that no work has been done in the area," the statement said.

Chevron Pacific Indonesia denied the [allegations](#).

"What we know is that the two companies meet the regulations we're aware of," company spokesman Yanto Sianipar told AFP.

"We are working on eight small sites that are around 200 metres by 150 metres each, and we have been working on the project for years now."

The company says it is the largest producer of [crude oil](#) in Indonesia, recording an average daily production of 477,000 barrels in 2010.

Chevron is facing enormous fines for environmental destruction in Latin America, where it is challenging a landmark court order in Ecuador and could face fines from the Brazilian state of Rio de Janeiro for a November oil spill.

(c) 2012 AFP

Citation: Chevron accused of graft in Indonesian green project (2012, March 17) retrieved 2 May 2024 from <https://phys.org/news/2012-03-chevron-accused-graft-indonesian-green.html>

<p>This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.</p>
--