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CAMBODIANS FILE COMPLAINT WITH U.S. GOVERNMENT AGAINST DOMINO SUGAR PARENT David versus Goliath case now before U.S. Government as villagers file OECD complaint against purchaser of sugar central to controversial, long-running illegal economic land concession case

OCTOBER 31, 2012, Washington, D.C. – Today, two hundred and seven families from Sre Ambel District in Koh Kong Province, Cambodia whose land was forcibly seized for a sugar plantation and factory have turned to the U.S. Government to help mediate the long-running dispute with the exclusive purchaser of the tainted sugar, Yonkers, New York-based American Sugar Refining (ASR). The villagers seek the U.S. Government’s assistance in settling a land dispute that has caused severe economic and social impacts to hundreds of families since powerful and well-connected companies and politicians confiscated their land through two controversial Economic Land Concessions in 2006.

American Sugar Refining, the world’s largest sugar cane refiner and best known for producing Domino Sugar, holds an exclusive contract to buy all the sugar produced at Koh Kong, where villagers were illegally evicted from their land without fair or adequate compensation. The villagers are now facing impoverishment, malnutrition, and other social deprivations. Ironically, ASR’s founders the Fanjul family, Cuban immigrants whose own land was confiscated during the Cuban revolution have shown little interest or sympathy with the Cambodian farmers who have lost their land and livelihoods for ASR’s sugar. Repeated attempts by the local communities to discuss and resolve the issues with ASR have gone unanswered.

“The companies that buy the sugar produced on our stolen land share in the responsibility for our suffering,” said Mr Teang Koa, one of the villagers who signed the complaint. “We hope the U.S. government can help ASR to recognize this.”

The complaint was filed with the U.S. National Contact Point (NCP), a government office that handles disputes relating to the Organization for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises. This case is the first brought under the Guidelines, which are a U.S. endorsed international code of responsible business conduct, for corporate wrongdoing in the Kingdom of Cambodia. The communities’ representatives in the case are their lawyers, the Community Legal Education Center (CLEC), and international NGO EarthRights International (ERI).

In 2006, Thai sugar manufacturer Khon Kaen Sugar Co. Ltd. (KSL), Taiwanese food company Ve Wong, and Senator Ly Yong Phat formed two Cambodian companies to receive land concessions for a large-scale sugar plantation and factory. The land was

occupied by Chuuk, Chikor, and Trapeng Kendal villagers, who have well-documented possession rights under Cambodian law. Over 450 families were forcibly evicted from their homes and lost farmland to make way for the development. Many households lost their livelihoods completely, and families that once sustained themselves by farming diverse crops and raising cattle have been reduced to poverty and malnutrition. The government's actions violated Cambodian laws requiring consultation with affected communities and environmental impact statements, and limiting the size of land concessions.

“For the villagers who were expelled, their land means everything – in losing it, they have lost their source of food, wealth, and security. The crisis is now affecting future generations too, since farmers have had to pull their children from school to work or guard cows from straying onto the plantation, where company guards may shoot them or hold them for ransom,” explained Vuthy Man of CLEC.

KSL made a deal with Tate & Lyle, a British company, to export all its Cambodian sugar through Europe's Everything But Arms trade promotion initiative. ASR, best known for producing Domino Sugar, bought Tate & Lyle's sugar operations in 2010. The villagers believe ASR has not acted consistently with the OECD Guidelines because, as the buyer of all of the sugar produced at the Koh Kong plantation and factory, it is expected to exercise due diligence and use the leverage it has with its business partners to prevent, mitigate, and remedy negative human rights impacts.

The villagers and their wide network of supporters have sought justice locally and internationally by taking their case to the companies themselves and to government agencies including the Cambodian courts, a European Union investigative body, the United Nations Office of the High Commissioner on Human Rights, and the National Human Rights Commission of Thailand. Recently, an international campaign has been launched targeting the global sugar industry for their complicity in illegal land-grabbing in Cambodia. More information on the campaign is available at: <http://www.boycottbloodsugar.net/>

CLEC is a Cambodian legal resource non-governmental organization (NGO) that specializes in land and natural resources, public interest legal advocacy, labor and good governance. More information on CLEC is available at <http://www.clec.org.kh/>.

ERI is a NGO with offices in South East Asia, the United States and Peru specializing in protecting human rights and the environment, and corporate and government accountability. More information on ERI is available at <http://www.earthrights.org>.

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