



State budget embezzlement exposed

Financial officials who embezzled state funds in Vientiane as well as Champassak and Savannakhet provinces have been exposed, with authorities vowing to retrieve all the money misappropriated.

The Ministry of Finance's Inspection Department recently unveiled its latest findings in a report on the financial sector in provinces across Laos for the 2015-16 fiscal year, which highlighted the misuse of state funds.

In Champassak province, treasury officials were found to have embezzled electricity taxes amounting to over 2.3 billion kip. Fortunately, the authorities have retrieved all of the misappropriated money.

In Savannakhet province, five officials were apprehended after they issued fake documents to fraudulently collect passenger and vehicle fees at the second Lao-Thai Friendship Bridge.

Losses from the fraud amounted to over 1.2 billion kip, of which 667 million kip has been retrieved.

Another case in Savannakhet province concerned five officials falsifying documents to collect taxes from a sugarcane project in Xonboully district, which resulted in over 3.39 billion kip being diverted from the state budget.

Authorities have so far retrieved 2.24 billion kip and confiscated two houses worth 734.8 million kip.

Director General of the Inspection Department, Mr Phoxay Manphilaphanh, said his department agreed with a report by the people's prosecutor in Savannakhet province which identified budget spending without properly referenced documents amounting to over 885 million kip.

The third case of embezzlement involved the collection of taxes on timber exports at the Dansavan-Lao Bao international border crossing in Savannakhet province, with 12 officials found to have falsified documents so they could siphon off more than 1.16 billion kip. Authorities have so far recovered 563 million kip. In Vientiane, over 277.45 million kip was found to have been spent in violation of financial regulations.

Deputy Prime Minister and Minister of Finance Mr Somdy Duangdy told the annual national inspection meeting held in Vientiane two weeks ago that officials' misdeeds must be addressed in a timely fashion in order to avoid public criticism.

He agreed that stronger inspections were needed to ensure that officials acted conscientiously and complied with the laws. This would help to boost revenue collection and ensure more money found its way into government coffers.

Mr Somdy called for all sectors to fight against corruption which he considered a serious threat to national development. The Deputy PM said it was critical to minimise the loopholes that resulted in financial leaks. He agreed to push for more effective and efficient revenue collection methods and spending of the state budget.

Laos has long suffered from the effects of corruption and it seems that this practice is on the increase. When corruption and bribery succeed, the goals of fairness and equality remain unmet. The State Inspection and Anti-Corruption Authority has stated that stronger law enforcement is essential in order to curb corruption.

Since 2014, a number of corruption cases have been exposed including one concerning the embezzlement of almost 10 billion kip of state funds in Huaphan province. The case shocked the public when it was reported in the media.

New Prime Minister Thongloun Sisoulith has said he will spearhead the fight against corruption and clamp down on financial leaks in order to spur national development.

By Times Reporters
(Latest Update May 24, 2016)

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