

Upwards of 100,000 claims arising from the BP oil disaster in the Gulf of Mexico may never be paid, the beleaguered administrator of the oil company's compensation fund has acknowledged.

A defensive Ken Feinberg, under fire from the Obama administration, Gulf leaders and local business for the slow pace of payouts for losses due to the BP spill, said the vast majority of the 130,000 unsettled claims did not have adequate documentation.

"Here is the problem that I continually have to address ... roughly 80% of the claims that we now have in the queue lack proof," Feinberg told foreign reporters in Washington. "That is a huge number."

Feinberg did not rule out settling claims in the future, but he added: "The claims that were denied had woeful, inadequate or no documentation to speak of."

He indicated that BP is unlikely to pay out more than the initial \$20bn (£12.3bn)agreed for the compensation fund in a meeting at the White House last summer. "I am cautiously optimistic that \$20bn will be enough," he said.

Any funds remaining from the \$20bn would revert to BP under an agreement with the White House, Feinberg said: "My understanding is that if \$20bn is sufficient and there is money left over it is retained by BP. That is not on my watch, that is not my responsibility."

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