



INVESTIGATION TASK-FORCE SWEEP

Progressive Update

Executive Summary

This is a media update on the progress of investigations carried out by Investigation Task-Force Sweep (ITFS).

The report highlights the investigations carried out by ITFS and the consequential penal actions undertaken so far including criminal prosecutions, tax recovery, proceeds of crimes recovery and disciplinary actions using the multi-agency collaborative powers vested on ITFS. The report also highlights some of the policies changes triggered by the momentum built by the anti-corruption work carried out by ITFS.

Some of the notable achievements of ITFS in the recent past include the conviction and sentencing of Former Minister for National Planning, Mr Paul Tiensten to 9 years imprisonment with hard labour, of which 4 years would be deducted upon restitution of the full amount of K10m.

ITFS was established by the then O'Neill/Namah Government in August 2011, primarily to investigate rampant corruption at the National Planning Department. Between 2009 and 2011, billions of development funds were parked at National Planning Department instead of Departments of Finance and Treasury or other appropriate implementing agencies. Most of these funds were distributed to purported contractors and developers at will. All these occurred under the former Minister Tiensten's watch.

In the case where Mr Tiensten was convicted and jailed, Mr Tiensten gave a footnote directive for payment of K10 million to Travel Air, a company owned by Mr Eremas Wartoto. Although there was no evidence before the court to suggest that he (Tiensten) personally benefited from the proceeds of the K10m, his directive caused all the officers of the department to break all laws. The Court held that "Without his directive, the K10 million would not have been released. He commenced the process of the release of the money through his direction or directive."

Another notable achievement is the collaborative effort of ITFS and IRC members in recovering more than K22.6 million recently using the tax powers. The funds were subject of ongoing investigations into a particular company/string of companies. Those monies have been paid to the Internal Revenue Commission.

There is also increasing cooperation between PNG and other countries in curtailing money laundering and other borders is beginning to increase. The scrutiny on the movements of illicitly obtained funds and assets between borders is beginning to issue.

Investigations

Through its multi-agency/multi-skilled approach, ITFS was able to investigate, take appropriate penal actions, make referrals to other agencies and recommend remedial actions to plug the loopholes that breed corruption. Since the establishment of ITFS in 2011, a number of cases including high profile matters involving senior Government officials and state ministers have been investigated.

So far, ITFS had registered 302 complaints totaling the monetary value of K5, 273,553,414.00 (K5.3billion). Out of the 302 cases, a total of 194 cases do not contain monetary values whilst more than 50 cases have been investigated so far.

There are 250 cases yet to be investigated and the number of complaints received is increasing by the day.

These cases have to be investigated properly in order to verify the allegations, raised in those complaints.

Investigations reveal very frightening trend of corruption where millions of public funds for development projects are being siphoned to private use, leaving the status quo on the ground unimproved. Owing to the lack of detection mechanisms, there are many cases of corruption yet to be uncovered.

One of the major investigations undertaken by ITFS since May 2013 is the case involving allegations of K71.8m fraudulent payments made to Paul Paraka Lawyers. Investigation had led to the arrest and charging of Principal of the law firm, Mr Paul Paraka and others. Two senior politicians Messrs Don Polye and James Marape were invited to a formal record of interview by the Police Commissioner but were hampered by a stay order of the National Court. Investigations are continuing in that matter whilst those who have been charged are going through the normal committal process at the District Court.

ITFS is embarking on screening the complaints lodged hitherto. In doing so, most of the allegations will be referred to other parent agencies. ITFS uses the following case allocation matrix as criterion to prioritize cases:

- Seriousness and prevalence of the type of corruption
- Legal nature of the alleged type of corruption
- Viability or probability of satisfactory outcome
- Availability of financial, human and technical resources
- Complexity of the case which would require multi-agency approach
- Monetary Value.

Prosecutions

Criminal side of investigations is carried out by police members of the team through to the committal stage of the prosecution. About 76 cases had been brought to the Court as a result of those investigations. Three of the ITFS cases led to successful conviction whilst some are pending verdict on guilt after trials had been completed. Most of the trials are coming up this year hence ITFS is working closely with the Office of the Public Prosecutor in ensuring that all the witnesses attend during the trials.

Whilst conducting investigations into fresh allegations, ITFS is also concentrating on the cases that are already in court. The following table shows the status update on each of those cases.

CRIMINAL PROSECUTION DATABASE

NO.	DEFENDANT	BRIEF FACTS	NOMINATED PLACE OF TRIAL	STATUS UPDATES
TRIALS COMPLETED, PROGRESSING AND PENDING AT THE NATIONAL COURT (35)				
1	Paul Tiensten, MP, Member for Pomio, ENB	Payment of K10m to Travel Air Ltd owned by Eremas Wartoto	Kokopo	Convicted and Sentenced to 9 years Imprisonment. Serving jail term.
2	Paul Tiensten, MP, Member for Pomio, ENB	Payment of K3.4m to his own company, Tol Port Services Ltd.	Kokopo	Trial completed, awaiting verdict
3	Mark Mapakai, MP Minister for Industrial Relations	K500,000 paid to his own company	Waigani	Pending trial

4	Francis Potape, MP Member for Komo-Magarima	Being paid JDP&BPC Sitting allowances K60,000	Waigani	Trial Progressing
5	Aloysius Kingsley Golu, former MP & Businessman	Received and used K6.5m of the K125m Kokopo SCITB	Kokopo	Pending trial
6	David Kumalau Pondros, Consultant	Payment of K6m under the NADP	Waigani	Trial Progressing
7	David Kumalau Pondros, Consultant	Payment of K400,000 from Oro Provincial Gov't for Wharf and Jetty	Waigani	Trial Progressing
8	Otto Wangilen	Conspired with David Kumalau Pondros	Waigani	Trial Progressing
9	Francis Ank, District Treasurer	Conspired with Francis Potape to pay hefty sitting allowances.	Mendi	Pending Trial
10	Francis Ank, District Treasurer	Conspired with DA and Others to pay K2m	Mendi	Pending Trial
11	Navai Kevari, District Administrator	Conspired with Mark Mapakai	Waigani	Pending Trial
12	Christian Tarur, Public Servant	Purchase of Badili Medical Store, sum of K1.7m	Waigani	Pending trial
13	Dr Esrom Daoni, Public Servant	Using NDoH credits left at Queen Emma Lodge	Waigani	Case withdrawn
14	Jabri Kalup Zebedee, Businessman	Payment of K500,000 to build VSAT in Milne Bay	Waigani	Trial Progressing
15	Jabri Kalup Zebedee, Businessman	Payment of K4m for some Agricultural projects in Madang Province	Waigani	Trial Progressing
16	Benjamin Selep, Manager, Area Medical Store	Abused his office for personal gain when area Medical Store Manager	Kokopo	Convicted and awaiting sentencing
17	David Kingsley Pera, employee of DPE	Stealing K50,000 by false pretence from Department of Petroleum and Energy	Waigani	Pending trial
18	Eremas Wartoto, Businessman	Payment of K7.9m of RESI funds allocated for Kerevat NHS	Waigani	Trial halted by stay order
19	Jeffrey Yakopya, FAS at National Planning	Facilitated defrauding of K1.975m by Eremas Wartoto on purported variations	Waigani	Pending trial
20	Jeffrey Yakopya, FAS at National Planning	Payment of K14.6m in various projects in Komo-Magarima District	Waigani	Pending trial
21	Mr Mcholie Marley, Public Servant	Payment of K1.77m belonging to Department of Health	Waigani	Committed to stand trial. Absconded Court. Warrant issued for arrest.
22	Joseph Salatiel Tobung, Businessman	Payment of K7.5m through a company called Metlik Plantations Ltd for SWT	Kokopo	Trial Completed. Ruling on Guilt pending
23	Daniel Peter Yaro, Businessman	Payment of K3.3m for Mongol Secondary School rehabilitation	Mendi	Pending trial
24	Tumbi Yari, District Administrator	Conspired with Francis Ank and Francis Potape and defrauded K330,000 in sitting allowances	Mendi	Pending trial
25	Tumbi Yari, District Administrator	Payment of K6m earmarked for RESI in Komo Magarima District	Mendi	Pending trial
26	Leonard Patrick Capon	K1,485,085.00 paid to his company for Mini-hydro project but work not done.	Waigani	Trial on 21-23 May 2014
27	Charles Aopi, Public Servant	Alleged to have defrauded K150,000 from National Parliament	Waigani	Trial on 16-18 June 2014
28	Mark Maludu, Senior Public Servant, Health	Used his position as CEO of Kimbe Hospital to defraud K51,491.30	Waigani	Trial completed, awaiting verdict
29	Robert Iginia Tia, Businessman	For K3.5million paid to his own company for a coffee factory which he instead built for less than K0.5m.	Waigani	Trial on 30 June -2nd July 2014
30	Peter Tokunai	Arrested for misappropriation of K1.5million	Waigani	Pending Trial
31	William Marum	Conspired to defraud the State of K3m through Company styled Hiland Farms Ltd	Kokopo	Trial Completed. Ruling on Guilt pending
32	Anthony Kulit	Conspired to defraud the State of K3m through Company styled Hiland Farms Ltd	Kokopo	Trial Completed. Ruling on Guilt pending
33	Samson Timama	Misappropriation of K1.8m for Henganofi Hospital	Goroka	Pending Trial
34	Newe Lepson, Public Servant	Charles Aopi's co accused	Waigani	Trial on 16-18 June 2014 together with Aopi
35	John Kol, Public Servant	Defrauding the State of K1.7m through a company styled Tiki Coffee Ltd in WHP	Waigani	Pending Trial

PENDING COMMITTAL (25)

36	Jaime Gallego Bantegui, Businessman	Accomplice of Mark Mapakai	Waigani	Court ready to rule on committal. Defendant on the run. Warrant issued.
37	Christopher Hulape, Former EO of Mr Tiensten	Payment of K1.6m for various projects in Milne Bay	Kokopo	pending committal ruling
38	Agnes Hulape	Wife and Accomplice of Christopher Hulape	Kokopo	pending committal ruling
39	Eremas Wartoto, Businessman	K10m paid to Travel Air Ltd for Air freight subsidy	Waigani	Pending Defendants Response on Committal Hearing
40	Eremas Wartoto, Businessman	K1.975m paid to SWT variation claim to rehabilitate Kerevat NHS under RESI	Waigani	Pending Defendants Response on Committal Hearing
41	Eremas Wartoto, Businessman	K7.5m paid to rehabilitate Metlik Plantations	Waigani	Pending Defendants Response on Committal Hearing
42	Eremas Wartoto, Businessman	K6m paid to rehabilitate Wilddog Plantations	Waigani	Pending Defendants Response on Committal Hearing
43	Eremas Wartoto, Businessman	K4.8m paid to rehabilitate purchase and deliver MV Warakalap to Kokopo District	Waigani	Pending Defendants Response on Committal Hearing
44	Harvey Nii	Facilitating K6m for Paul Paraka	Waigani	Pending Defendants Response on Committal Hearing
45	Paul Othas	Facilitating K6m for Paul Paraka	Waigani	Pending Defendants Response on Committal Hearing