Masalai i tokaut

Number Thirty Six: 18 February 2005

Forest Minister's conduct 'dishonest and corrupt'

Forest Minister Patrick Pruaitch is 'wrongful and corrupt' and 'dishonest' – guilty of deliberate self enrichment and double dipping of the public purse.

These are the findings presented in a 'Due Diligence' Report prepared by the independent investigative firm, Quest Investigation International Limited, based in Port Moresby.

Quest was commissioned in 2003 to look at the financial affairs of the National Forest Service.

They found the Forest Minister had unlawfully claimed over K20,000 in payments for private and family expenses including airfares, hotels, car hire, fuel, overtime payments and club membership.

The behaviour of the Forest Minister is described as dishonest, improper and unethical'.

And the Report warns that unless effective action is taken against the Minister then the corruption that he is breeding is going to suffocate the whole of the National Forest Service as senior officers begin to follow the Minister's lead.

But despite the Report having gone to the Ombudsman Commission, Fraud Squad and the Prime Minister for action under both the Leadership Code and the Criminal Law, the Minster has not been stopped.

Patrick Pruaitch continues to cheat and steal from the public purse as well as blatantly protecting the interests of the cruel and destructive Malaysian Logging Industry.

Below we set out in detail the findings from the Independent Investigation and the supporting evidence of corruption – including claims of K 1,651 for lunch, K 1,953 for 'drink' and 1,600 kilometres driven in just three days!

In July 2003 the National Forest Service commissioned a highly reputable firm of forensic lawyers and financial specialists to carry out a study of its financial records.

The 'Due Diligence' inquiry was commissioned primarily to look at the financial management of the National Forest Service and in particular the large annual sums of unbudgeted expenditure for capital assets, human resources and 'extraordinary' items.

The firm engaged to do the study, Quest Investigation International (http://www.karmally.com/index.htm) is a PNG registered company that has carried out a number of high level investigations for Government agencies and private business houses.

If you would like a copy of this report send us an email at masalai@masalai-l-tokaut.com

Financial prudence and the desire for an in-depth examination of the financial records limited the inquiry to an examination of the financial records of the Forest Service for a four month period between 24th February and 30th June 2003.

The exercise was carried out with the full cooperation of the staff of the National Forest Service and the investigation team had unlimited access to the financial records of the organisation. The team was based in an office in the NFS Headquarters for the period of the investigation.

The Review results were presented to the Managing Director of the National Forest Service in a 218 page Confidential Report at the end of July 2003.

THE REPORT ON THE INQUIRY INTO

DUE DILIGENCE

(PERIOD COVERED 24 FEBRUARY 2003 TO 30 JUNE 2003)

OF THE

NATIONAL FOREST SERVICE

BY

QUEST INVESTIGATION INTERNATIONAL LIMITED

The Report includes 56 specific recommendations to improve financial management within the National Forest Service and to ensure good governance and transparency.

The Review Team found during the course of their investigation that one of the reasons that the expenditure of the National Forest Service was so out of line with its budget predictions was that large sums of money were being reimbursed to the Forest Minister.

The Review Team looked at each of the financial claims coming from the Minister and concluded:

Conclusion

We conclude from the above findings that the actions and conduct of the Honourable Minister for Forest is wrongful and corrupt and were done in the exercise of deliberate judgment for self enrichment and double dipping of the public purse.

There is no better description of the conduct of the Minister for Forest than to simply state the obvious that the Minister's conduct is improper and unethical and a palpable breach of the public trust and confidence placed in him by the State and the people of PNG. The Minister's exercise of his official duties functions in the capacity of Minister for Forest have been dishonest and partial and includes all manner of improper and unethical behaviour of an elected leader and Minster of State.

The evidence that forms the basis for this very clear and direct indictment comes from a wide range of claims on the public purse including overtime payments for security guards; fuel claims for a total of six vehicles; air tickets, travel allowances and hotel accommodation for security guards and others; car rentals; entertainment bills and club memberships.

As well as these unlawful claims, the Review also found that there were a large number of material inconsistencies in the claims being made and that often the documentation to support the claims was contradictory or incomplete.

We shall now look in detail at each of the matters uncovered.

Security Guards

In the four month period under investigation the National Forest Service paid K4,675 in 'overtime payments' for two security guards employed by the Minister.

The review report notes:

- The security guards were not employed by the National Forest Service and therefore should not be paid by the NFS

- The NFS did not pay the guards normal salaries and therefore should not pay their overtime

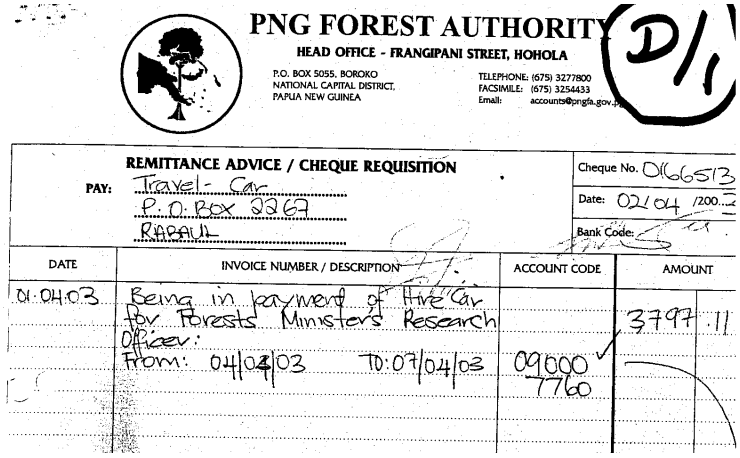
- The overtime was not approved by anyone in the NFS Minister's security is paid for by the national Parliament

The report also notes that there have been instances where the National Forest service has paid airfares, travel allowances and hotel accommodation for the security guards. Again, the guards were not employees of the NFS, the NFS did not authorise the travel and the Minister would have been claiming security allowances from the National Parliament

Bogus car rentals

On 20th March K 2,516 was paid on a claim submitted by the Minister for car rental in Lae. The accompanying pro-forma invoice was from the Queen Emma Lodge in Rabaul. No receipt was ever submitted to show that the money was really paid. The claim included a mileage charge for 1,500 km – do you believe that?

On the 2nd of April K 3,797 was paid on a claim submitted by the Minister for a 3 day car rental by his research officer who was supposed to have travelled to Wewak.



PNG FOREST AUTHORITY

HEAD OFFICE - FRANGIPANI STREET, HOHOLA

P.O. BOX 5055, BOROKO
NATIONAL CAPITAL DISTRICT,
PAPUA NEW GUINEA

TELEPHONE: (675) 3277800
FACSIMILE: (675) 3254433
Email: accounts@pngfa.gov.pg

D/1

REMITTANCE ADVICE / CHEQUE REQUISITION

PAY: Travel - Car
P. O. Box 9267
RABAUL

Cheque No. 0166513
Date: 02/04/200..
Bank Code:

DATE	INVOICE NUMBER / DESCRIPTION	ACCOUNT CODE	AMOUNT
01.04.03	Being in payment of Hire Car for Forests Minister's Research Officer: From: 04/04/03 To: 07/04/03	09000 7760 ✓	3797.11

Only a pro-forma invoice was submitted with no receipt. The pro-forma invoice was from a car company in Rabaul. The claim included a mileage charge for 1,600 km – it is hard to imagine anywhere in PNG that would allow the freedom to cover 1,600 km in just three days or to imagine that the mileage would be so exact.

QUEENEMMA LODGE LIMITED
TRAVEL CAR
P.O. BOX 2267, RABAUL, EMBP, PNG
Voice: 9835228
Fax: 9834418
E-mail queenemmalodge@daltron.com.pg

TAX INVOICE VAT#7489
Invoice Number: PRO - FORMA
Invoice Date:

Charge to: DEPT OF FOREST
PO BOX
BOROKO

Service provided MINISTER FOR FOREST
MR PRUAITCH PATRICK

Customer ID / Sales Rep ID	Customer PO / Customer Phone	Payment Terms C.O.D. Customer Fax	Due Date

Quantity	Code	Description	Unit Price	Extension
4	TLC-10 Seater 4x4	DAILY VECHICLE HIRE	300-00	1,200-00
1,600	✓	KILOMETRE DRIVEN	1-03	1,648-00
4	✓	SURCHARGE FEE	25-00	100-00
1	✓	SUBTOTAL		2948-00
1	✓	STAMP DUTY		118-92
90	✓	FUEL USED	2-50	225-00
4	✓	COMPULSORY INSURANCE	35-00	140-00
1	✓	CLEANING FEE	20-00	20-00

WE ACCEPT AMERICAN EXPRESS, VISA & MASTERCARD
CHEQUES ACCEPTED ONLY WITH PRIOR ARRANGEMENT
OR DEPOSIT DIRECT TO WESTPAC BANK, KONOPO BRANCH
ACCOUNT 6000595500

Subtotal	3451-92
VAT	345-19
Total Invoice	
Payment	3,797-11
Total	3,797-11

On 21 June the Minister was reimbursed K1,171 for car hire in Port Moresby while his private car was being serviced. This was despite the Minster having two vehicles already on permanent allocation from the NFS.

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Email: accounts@pngfa.gov.pg

D/4

REMITTANCE ADVICE / CHEQUE REQUISITION

PAY: Travel - Car
P.O. BOX 2267
RABAUL

Cheque No. 0189929
Date: 21/06/2003
Bank Code:

DATE	INVOICE NUMBER / DESCRIPTION	ACCOUNT CODE	AMOUNT
21.05.03	Being in payment of Hire of Car for the Forests Minister while his private car was in for service	09000 ✓	1,171 25
	Out 07/05/2003 In 09/05/2003	7760	

This is just blatant theft from the public purse.

On 11 April a further K1,057 was paid on a claim by the Minster for car hire in Port Moresby. This claim was supported only by a pro-forma invoice with no receipt.

Unauthorised travel

On 2nd April air travel, accommodation and allowances totalling K2,005 were paid by the National Forest Service for a trip by the Ministers Research Officer to Wewak.

Including other expenses, NFS paid almost K6,000 in total for a trip by the Ministers staffer to ‘pick up documents’.

The research officer is not employed by the NFS but is part of the Minister's private office for which he is paid by Parliament.

Fuel payments

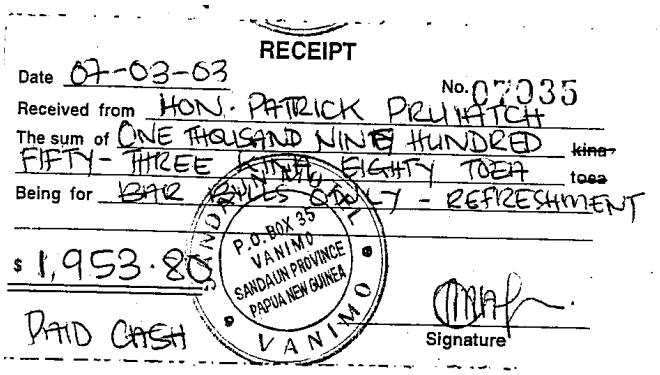
In the period under review the Minister claimed K3,021 from the National Forest Authority in fuel expenses for a total of six cars. The Minister is only entitled to one vehicle from the NFS and is paid a vehicle allowance by the National Parliament.

Car allocations

The Minister has insisted that the National Forest Service provide him with two official vehicles when the normal Ministerial entitlement is only one.

Entertainment costs

On 27th March the Minister was paid K2,426 as reimbursement for various entertainment expenses including K1,953 for drinks at the Sandaun Motel in Vanimo and K254 for lunch at Airways Poolside.



RECEIPT

Date 07-03-03 No. 07035

Received from HON. PATRICK PRUAITCH

The sum of ONE THOUSAND NINE HUNDRED ~~kina~~

FIFTY-THREE ~~KINA~~ EIGHTY TOEA ~~toea~~

Being for BAR ~~RULES~~ ONLY - REFRESHMENT

$ 1,953.80

PAID CASH

P.O. BOX 35 VANIMO SANDAUN PROVINCE PAPUA NEW GUINEA

VANIMO

Signature

This is quite some bar bill!

The claims made by the Minister were supported only by cheap hand made receipts and photocopied (rather than original) invoices.

The claims also ignored the fact that the Minister is paid an Entertainment Allowance as part of his fortnightly salaries.

On 2nd June the Minister was reimbursed K902 for a lunch at the Vanimo Beach Resort.

On 18th March the Minister was paid K1,651 as reimbursement for a lunch for three at the Golden Bowl Restaurant in Port Moresby…… K1,651 for lunch……for three people….come on Minister, you are just a common thief….

Minister for Forest

MINUTE

TO : Acting Managing Director
National Forest Service

DATE : 17th March 2003

SUBJECT : REIMBURSEMENT

The Chief Secretary, Mr. Kalinoe, the Chairman of the National Forest Board, Mr. Kambori and I had a working lunch at the Golden Bowl restaurant on Friday 14th March to discuss forestry related issues.

The lunch was to have been paid for by the Chairman of the NFB, however, I decided to meet the cost myself and now enclose receipts of same totalling K1,651.93 for a refund.

Please charge under the Board Services vote.

HON. P. PRUAITCH, MP
MINISTER FOR FORESTS

On 10th March the Minster was reimbursed K680 for his membership fee for the Port Moresby Car Club and that of the Secretary for Environment Wari Iamo – which he claimed he had also paid.

Conclusions and recommendations

The Report ends with some very clear conclusions about the conduct of the Minister and its impact on the National Forest Service and it gives recommendations for further action.

Corruption is like a disease. If the disease is not detected and diagnosed promptly and appropriate treatment is applied, the disease will invade and suffocate the host and terminate life.

If the appropriate authorities like the Prime Minster, Ombudsman Commission and the Fraud Squad do not act swiftly and promptly to addressing the wrongful and corrupt conduct of the Minster for Forest and taking appropriate disciplinary actions then the dishonest and unethical conduct of the Minster for Forest will suffocate the administration and functions of the National Forest Service and all stake holders dreams of a transparent, efficient and effective National Forest Service will be in vain.

Unfortunately it appears that nobody has taken any action on the Reports recommendations for prosecution of the Minister.

The National Forest Service refer the wrongful and corrupt conduct of the Honourable Minister for Forest, Mr. Patrick Pruaitch to the Ombudsman Commission, Fraud Squad and Respected Prime Minister for appropriate disciplinary action under the leadership code and the criminal code.

As a result the National Forest Service has crumbled with almost the entire organisation either involved in corrupt and criminal acts or silenced by the fear of retribution.

In the next Masalai we will look at anther aspect of the fraud and corruption that surrounds the Forest Minister – his unquestioning defence of logging giant Rimbunan Hijau in the face of overwhelming evidence that the company operates totally outside the law and is guilty of inflicting slave like conditions on its local employees while employing high numbers of illegal foreign workers.

If you would like a copy of the QUEST INVESTIGATION INTERNATIONAL report on Patrick Pruaitch send us an email at masalai@masalai-l-tokaut.com

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