

Media Statement

18th February 2024

Approved for Immediate Release

**O'Neill: Department of Finance Papers show the Facts:
Connect PNG is an Outright Scam!**

"The Connect PNG concept is admirable, and I have said multiple times, that as a policy, it has my support as did Link PNG under my Government," said former Prime Minister and Member for Ialibu-Pangia, Mr Peter O'Neill.

"However, the wastage, cronyism and payments to relatives made under Connect PNG amount not to building highways, but highway robbery."

"The program has been established by Marape to enable systematic stealing from the people all while telling the people we should be grateful his government building a road here and there."

"Thanks to a whistle-blower, on the 14th February, I tabled in Parliament, the Department of Finance transaction history for all Connect PNG cheques and transfers made between the 14th of April 2021 to the 22nd January 2024."

"Around 1,400 separate payments were made for a total of just under two billion Kina (K1,933,364,152.94) in two and a half years."

There are far too many dodgy payments to list but some examples of payments that seem to have no benefit to the Connect PNG program and require detailed investigation:

- K220,700 paid to Pacific International Hospital on the 26th July last year for the private medical expenses of the Minister of Works for his medical evacuation.
- K170,000 cash transfer made to an individual for his accommodation and living expenses while at university in the UK.
- K152,800 Payment on 1st May 2023 to MP owned Sunday Bulletin. No such payments to other media since 2021.
- Payment of K785,209.15 made between May and December 2023 to a cleaning company for "beautification" of Department of Works HQ gardens
- Four payments totalling K938,222.18 paid to a single legal services company for long overdue invoices
- K1.96 million interest paid to one construction company for late payment penalties yet not paid to any other companies under Connect PNG
- K3,449,045.64 paid to a hotel in Mt Hagen for accommodation of just 18 soldiers to guard the Four Lane Hwy. A staggering K191,613 per soldier.

"I do not wish to make light of the above - it is a terrible indication of the entitled and "above-the-law" attitude being shown when just one precious Kina is wasted or stolen, but the Connect PNG payments I have analysed demonstrate systematic corruption on a grand scale."

“Connect PNG is a program designed by Marape to defraud our people and enrich himself and his associates.”

The 2021 – 2024 payment history reveals the following major scams within the Connect PNG scam:

“Scam Number 1:

Have your former staffers/relatives set up road construction companies and then have Connect PNG contracts awarded to them (aka yourself).

1. IPWENZ CONSTRUCTION LTD - Moses PALIPE. Cousin and former staffer of JM.
Paid K106.8 million in 30 months.
2. TUMLA CONSTRUCTION LTD - Irad NATI. Former staff of SM until 2019.
Paid K6,515,559.31 in 14 months.
3. 27th December 2022, Connect PNG paid K200,000 to IRC on behalf of Tumla for “tax deductions”.
4. In addition, Connect PNG made a payment of K4,000,000 to Telefomin DDA on 25th October 2022.
Not enough just to issue yourself contracts; also have Connect PNG deposit millions to the DDA that the Minister is Chairman of.
If this is legitimate, then all MPs in Government would like this arrangement, but it seems it is special for the Minister of Works.”

“Scam Number 2:

Register local Government institutions with LLGs as shareholders and then without advising anyone, change the shareholders to create your own, tax-free private businesses and then have Connect PNG award road contracts to these businesses.

1. Tari Pori Development Authority Ltd (TPDA) – sounds like a legitimate DDA business arm, doesn't it?
2. According to IPA, TPDA is a private company owned and controlled by former Marape staffer Timon AWARI. The Tari Pori LLGs own only 16% these days, the other 84% is owned by Marape associates.
3. It is registered as a Government, Community organisation but is now a private business.
4. TPDA were paid K16,383,732.80 in the last two years by Connect PNG - this is on top of DSIP/PSIP paid to the legitimate DDA.
5. In 2022, TPDA issued a glossy newsletter advising the people of Tari Pori that the Prime Minister and Member for Tari Pori James Marape had organised for Tari Pori people to be issued individual shares in TPDA. Like all his promises this is just toktok and nothing has happened.
6. TPDA is a fraud of massive proportions taking money from Connect PNG and other taxpayer funded programs; not paying taxes as it's a supposed Government entity and scamming his own people in Tari Pori and the people of PNG.
7. TPDA boasts of offices around the country and in Manila. Must be a lot of Tari Pori building going on in the Philippines these days.

Scam Number 3: Tell the people of PNG you are doing them a huge favour by building roads for them with taxpayers' money and big loans and then divert the money off into companies owned by your oldest and closest associates. Just one example, there are many others in the leaked documents:

1. Clean-Green Energy Limited, owned by Marape's closest associate and Pangu affiliated candidate for Kandep in the last election, Ken Lokai.
2. Clean-Green Energy has been awarded eight (8) contracts on the Magi Highway in the last two years.
3. Two contracts are just a few Kina under K10m (K9.883m and K9.995m). K10m is the cut off before contracts are subject to tendering by National Procurement Commission.
4. While local Papua firms cannot be paid for their legitimate work in Central Province, Clean-Green Energy Limited has been paid K9,848,827, just shy of K10 million for work on the Magi Highway.
5. Perhaps it is another K10 million like the K10 million for the SDA scientists who fake found a cure for COVID

6. In 2016, James Marape cut the cake on Reach Incorporation, an SDA charity for young people founded by Ken Lokai (Chairman); Rachel Marape and David Werah. How coincidental that the same characters are involved in this scam involving Clean-Green Energy.
7. There is a long and close association at play here. Why not just tender the contracts and ensure local firms can participate and be paid?"

"I have called for a stop to all payments under Connect PNG until the findings of an Auditor General conducted audit is completed on Connect PNG; the Department of Works; the Ministry of Works and Implementation and the National Procurement Commission."

"I urge all banks both here in PNG and abroad, especially Singapore; Australia and Fiji to urgently look into the transactions involving these firms connected to the Prime Minister and Minister of Works and prevent the owners swindling the monies that belong to the people of PNG."

"I ask the BPNG and the Financial Analysis and Supervision Unit (FASU) to apply the powers vested in them to protect our country from systemic financial fraud."

"The Minister and the Prime Minister should immediately stand down so as not to interfere in a proper Police; Ombudsman Commission and FASU investigation and allow the Auditor General's audit to go ahead without delay."

"These funds are the taxpayers of PNG's funds or loans that the Treasurer has borrowed big for."

"Let us not blame the bureaucrats. James Marape is the master architect of Connect PNG not the bureaucrats. He blamed the "glitch" on the public servants and anything else that goes wrong in this scandalous Government. This time he needs to take ownership."

"I appreciate very much the bravery of the whistle-blowers coming forward with authentic documents. We do not know who you are, but we can tell you are a person who has the courage of your convictions. PNG thanks you for your bravery."

"Now is the right time for Marape showed the same good character and stood down to let a proper investigation take place into this scam riddled Connect PNG program."

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