

## CHAPTER 12: Correspondence re fraud allegations related to KTA Board Members

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4 February, 2008

The Manager Bank  
South Pacific  
Port Moresby Branch PO  
Box 78  
**Port Moresby NCO**

Dear Sir,

Possible Fraudulent Dealing - Central Prov. Govt. Operating A/c 1000585679 Cheque # 59458 dated 11.12.07 K25,000 - Payable Kokoda Track Authority

On 6 December, 2007, Kokoda Track Authority (KTA) raised Invoice 68-2007 for K25,000.00 to Central Provincial Administration for a claim against the Tourism Development allocation to Kokoda Track Authority. The invoice stated that payment was to be by cheque only payable to "Kokoda Track Authority - Operating Account". A copy of the invoice is attached.

I also attach an extract of the Cheque Usage Report for Central Provincial Government - 2007 dated 11 Dec 2007 and refer you to cheque # 59458 issued to Kokoda Track Authority Reference 670 71251 for K25,000.00. The report reveals that the cheque was signed as collected on 11.12.07 by an unknown signatory. The next two cheques were bracketed and signed as collected on 11.12.07 or possibly changed to 12.12.07 by a signature believed to be the same or a forgery of the signature for the Kokoda Track Authority cheque.

It is interesting to note that the same signatory received cheque# 59459 for K2,000.00 payable to Lifu Holdings and cheque #59460 for K1,124.50 payable to Central Prov.T/Port Authority.

Kokoda Track Authority Deputy Chairman is reported to have been seen with the cheque in his possession. When I asked him on a number of occasions when the cheque may be available to KTA, he continually advised that the cheque was not ready for collection but that it should be available early February. I advised him that KTA would not be able to make any further payments until the K25,000 cheque was deposited to KTA account. It is time for High School Scholarships to be paid and without such cheque, all payments must wait till 2008 trek fee income commences in mid-March.

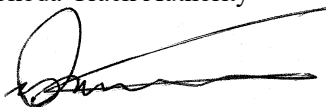
Kokoda Track Authority operates two accounts at Douglas Street Branch, the Trek Permit Fee Ale: 1000981336 and Operating Ale: 1000981338.

Would you please advise if the cheque 59458 has been debited to the Central Provincial Govt Ale 1000585679 and the date, and also if possible, as to whether it was cashed and by whom from details and signature on the reverse of the cheque or details of the account to which the cheque or cash may have been deposited and date.

If investigations reveal that there have been fraudulent dealings we will refer the matter to our contact in the Fraud Squad.

Your assistance in this matter will be appreciated.

Yours faithfully  
Kokoda Track Authority



Warren R Bartlett  
Executive Officer

KTA

12 February, 2008

The Manager Bank  
South Pacific  
Douglas Street Branch  
POBox173  
Port Moresby NCD

Dear Sir,

Possible Fraudulent Dealing - Kokoda Track Authority- Operating Account 1000981338 Cheque# 0048093 debited 24 December, 2007 K1,400.00

Thank you for the photocopy of both sides of cheque 48093.

As advised yesterday, my compulsory signature is missing. The cheque was signed by Norris Selu (Deputy Chairman) and the signature of Gary Imiri, Committee Member, has been forged.

I attach photocopy of the Customer Record Cards with authorized signatures dated 11 June, 2003 when both the Kokoda Track LLG Special Purposes Authority "Trek Permit Fee Ale" and the "Operating Ac" were opened and not changed to date.

Please note that Gary Imiri's signature is not identical.

I believe that Norris Selu opened my briefcase in my office, removed the cheque book and leaf 48093 on or before 24 December, 2007, wrote the cheque, signed it with his signature and that purporting to be of Gary Imiri and forgot my signature.

The authority stipulates that there are three signatures required including the Executive Officer. The Bank Teller has erred in not checking the signatures and Norris Selu is guilty of fraud.

The matter will be referred to the Fraud Squad once we have the results of the missing K25,000 cheque dated 11 December, 2007 from the Central Provincial Government to Kokoda Track Authority, Norris Selu being suspect in these matters.

Thank you for your assistance.

Yours faithfully  
Kokoda Track Authority

Warren R Bartlett  
Executive Officer

Attachment... ..

KTA

14 February, 2008

The Manager Bank  
South Pacific  
Waigani Drive Branch 968 PO  
Box 211  
**WAIGANI NCD**

Dear Sir,

Possible Fraudulent Dealing-Central Prov. Govt. Operating Ale 1000585679 Cheque# 59458 dated 11.12.07  
K25,000 - Payable Kokoda Track Authority

On 6 December, 2007, Kokoda Track Authority (KTA) raised Invoice 68-2007 for K25,000.00 to Central Provincial Administration for a claim against the Tourism Development allocation to Kokoda Track Authority. The invoice stated that payment was to be by cheque only payable to "Kokoda Track Authority - Operating Account". A copy of the invoice is attached.

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Kokoda Track Authority Deputy Chairman is reported to have been seen with the cheque in his possession. When I asked him on a number of occasions when the cheque may be available to KTA, he continually advised that the cheque was not ready for collection but that it should be available early February. I advised him that KTA would not be able to make any further payments until the K25,000 cheque was deposited to KTA account. It is time for High School Scholarships to be paid and without such cheque, all payments must wait till 2008 trek fee income commences in mid-March.

Kokoda Track Authority operates only the following three accounts at Douglas Street Branch:

Kokoda Track Special Purposes Authority - Trek Permit Fee Ale: 1000981336 Kokoda Track  
Special Purposes Authority - Operating Ale: 1000981338  
Kokoda Track Special Purposes Authority- Kokoda Day Ale: 1001228150 (dormant)

The Executive Officer is a compulsory signature to all accounts. The other signatories are Chairman / Deputy Chairman and Committee Member.

The Manager of our BSP Douglas St Branch, Mr Andrew Bokame, advised that the Port Moresby branch advised him yesterday that the K25,000 cheque had been deposited to an account "Kokoda Track Authority" #1001163704 at Waigani Drive Branch 968.

This is most irregular as the management and board of Kokoda Track Authority have not authorized this account to be opened. This is a similar breach to an unauthorized account being opened in December, 2005 at Port Moresby Branch for the encashment of a K3,000.00 cheque. Correspondence on this matter is attached.

Kokoda Track Authority has three renegade LLG appointed Board Members and their accomplices, who are renowned for exorbitant claims and fraudulent dealings with Kokoda Track Authority funds. We are currently preparing a case for the Fraud Squad to investigate and lay charges.

Would you please advise when Kokoda Track Authority *Ne* 1001163704 was opened, the names of the authorized signatories and copy of all bank statements for this account from when it was opened. Please also freeze and close the account and transfer the balance, if any, to Kokoda Track Special Purposes Authority-Operating Account# 1000981338

I attach copy of my letter to the Manager of BSP Port Moresby branch with attachments for your information.

Your assistance in this matter will be much appreciated.

Yours faithfully  
Kokoda Track Authority

A handwritten signature in black ink, appearing to read 'Warren R Bartlett', is written over a horizontal line. A vertical line is drawn to the right of the signature, extending from the top of the line to the bottom of the signature.

Warren R Bartlett  
Executive Officer

Attachments.....

Copy: The Manager  
Bank South Pacific  
Douglas Street Branch

LATA

15 February, 2008

The Officer-in-Charge  
Fraud & Anti-Corruption Squad  
Royal Papua New Guinea Constabulary  
**KONEDOBU NCD**

Dear Sir,

Fraudulent Dealing-Central Prov. Govt. Operating A/c 1000585679 Cheque# 59458 dated 11.12.07  
K25,000- Payable Kokoda Track Authority (KTA)

I attach copies of documentation regarding a missing cheque from the Central Provincial Government dated 11/12/2007 for K25,000.00 payable to Kokoda Track Authority.

This cheque has been traced by the Bank of South Pacific managers at Port Moresby, Douglas Street and Waigani Drive branches and yesterday I received information from a phone call with the Manager of Waigani Drive Branch, Ms Madeleine Tokulemu, that an account had been opened at her branch in the name of Kokoda Track Authority.

The Manager advised that she had referred the matter to the Bank's Investigation Branch and they advised that no information be released in relation to the account unless a Search Warrant was issued. As the account number is advised as 1001163704 named Kokoda Track Authority, it would appear with that number it was opened over a year ago, there are undoubtedly other deposits of Government funds made to this account and used fraudulently.

We are therefore requesting that the Fraud Squad attend to this matter.

There are three current and one past Koiari and Kokoda LLG and Oro Provincial Government appointed members to the management committee/ board of Kokoda Track Authority, including the Chairman, Deputy Chairman and two committee members. The other five members of the board refuse to attend board meetings due to the corrupt practices and demands of these four members.

There is also a case of a cheque leaf being stolen from the KTA Operating Account and cashed at BSP Douglas Street, Port Moresby on 24/12/2007 for K1,400.00. The photocopy of the cheque reveals that Norris Selu, Deputy Chairman, signed the cheque, counter signature of Committee Member Gary Imiri was forged and compulsory signatory Executive Officer Warren Bartlett was omitted. Copies of documentation are attached.

In December, 2006 there was a case similar to the K25,000 fraud, where a cheque for K3,000 from Sir Mai Avei MP payable to Kokoda Track Authority was deposited to a new unauthorized account at BSP Douglas Street termed "Kokoda Track Authority - (Projects) and cashed. Upon discovering this incident, the Bank closed the account and the balance of funds of K80.54 transferred to the KTA Trek Fee Ale at Douglas Street. The signatories to this Projects account were Deputy Chairman, Norris Selu, Aula Kobale, a representative from the Department of Prime Minister, and Kila Sibolo, the Oro Provincial committee member on the KTA board at the time.

Copies of documentation in relation to this matter are attached.

There is also the current complaint that Chairman Alfred Amuli in Kokoda received two cheques from Sohe member Hon Anthony Nene for K12,000 each, one for Oro Disaster Relief and one for Kokoda track Authority which we have never received from the Chairman for receipting and banking. KTA committee member Gary Imiri reported the matter to a Constable Sam at the Fraud Squad, requested airfares, accommodation and allowances for the constable, a casual security guard of KTA Clive Govara and himself to visit Popondetta and investigate. KTA refused to assist financially as it is a police matter and KTA did not have funds. Apparently police did investigate and found no evidence, but it is rumoured that the police

were bribed to close the case..

The Manager of BSP Waigani Drive requested that a Search Warrant be issued in relation to this K25,000 case and after that maybe the other instances, including exorbitant allowance claims being placed upon KTA management by these renegade committee members be investigated.

There are plans in process through the Minister for Culture & Tourism, Hon Charles Abel MP to have NEC suspend the present KTA management committee, install an interim caretaker committee, have KTA revoked as an Authority and be replaced with a more suitable transparent Foundation.

We look forward to your appropriate action.

Yours faithfully  
Kokoda Track Authority



Warren R Bartlett  
Executive Officer

Attachments .....

Copy: The Manager  
Bank South Pacific Waigani  
Drive Branch

The Manager Bank  
South Pacific  
Douglas Street Branch

KTA

17 February, 2008

Detective Inspector Timothy Gitua  
National Fraud & Anti Corruption Directorate Royal  
Papua New Guinea Constabulary **KONEDOBU NCD**

Dear Sir,

Fraudulent Dealing -Central Prov. Govt. Operating A/c 1000585679 Cheque # 59458 dated 11.12.07  
K25,000 - Payable Kokoda Track Authority (KTA)

In my report to you dated 15 February, I omitted to enclose the final report of Tony Abavu, KTA board member and Sub-District Administrator of the Sogeri Sub-District, regarding his investigation into the K25,000 cheque presumed fraudulent dealings.

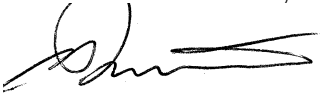
Because the report and request for investigation to your office was unfortunately leaked to Post Courier and the National, it was necessary for an urgent Press Release to be made and hopefully have the Press not report the contents of the K25,000 dealings in the media but the contents of the Press Release only.

I attach also copy of an Information Paper dated 14 December, 2007 to Hon. Puka Temu CMG MP, Deputy Prime Minister, from **KTA Deputy Chairman Norris J Selu** seeking ex-gratia funding assistance of at least K1.0 million for Kokoda Track Authority. If this unauthorized Kokoda Track Authority bank account at BSP Waigani Drive was used to receive any such funds, there would be a major fraud case of National Government funds. More details of the cost of Norris Selu and accomplices following up such funding request over recent months will be supplied as the case unfolds.

It may be of interest to the case that **Mrs Nicole Kemaru Selu, the first of three wives of Norris Selu**, was employed as a Senior Public Relations Officer with Bank South Pacific headquarters until 2007, when she left the employment of the bank under unknown circumstances. It could be possible that **Norris** used undue influence on his wife to assist with the opening of new accounts for Kokoda Track Authority and possibly others with Bank South Pacific?

We look forward to your advice on the results of the Search Warrant on the Bank.

Yours faithfully  
Koko Track Authority



Warren R Bartlett  
Executive Officer

Attachments .....



KTA

17 February, 2008

The Editor-in-Chief  
Papua New Guinea Post Courier  
**PORT MORESBY NCO**

**and**

The Editor-in-Chief The National  
**PORT MORESBY NCO**

Dear Sirs,

#### Kokoda Track Temporary Closure, Mining and KTA Administrative Restructure

The Kokoda Track has had much media exposure over the past weeks, particularly in regard to the closure of the Track at Naoro due to the Mt Kodu landowners' frustrations with the delays in the renewal of the Exploration Licence to Australian exploration company, Frontier Resources Pty Ltd.

Behind the scenes there has also been frustration by the Kokoda Track landowners and stakeholders over the administration of the Kokoda Track trekking industry and benefits which ensue to the landowners. Landowners believe that they are not being fairly represented on the board of Kokoda Track Authority (KTA) and that certain members of the board and accomplices are obtaining excessive allowances and claims from funds which should rightfully be allocated to community benefit projects.

The latest revelation is that there has been a phantom bank account opened at a bank in Port Moresby and that Provincial Government budgeted allocations which have never been received by KTA for deposit to the authorized bank accounts of KTA have been deposited to this phantom account.

This matter has been handed to the RPNGC National Fraud and Anti-Corruption Directorate and they will be commencing their investigations on Monday. Unfortunately a copy of the report to the Police was leaked to both Post Courier and National newspapers and we request that such information not be published as it will have severe consequences on the success of the investigation and any subsequent prosecutions.

We therefore request that you consider the following as a press release from the Executive Officer of the Kokoda Track Authority, Mr Warren Bartlett:

#### Press Release

The Kokoda Track has been closed at Naoro for the past two weeks by landowners of the Mt Kodu area in regard to frustrations over the delays experienced by the Australian exploration company, Frontier Resources Pty Ltd, being granted a renewal of their Exploration Licence, which expired over 18 months ago.

The Naoro people are demanding "no mining exploration licence renewal then no trekking". This is putting pressure on the PNG Government to give urgent attention to the renewal of the Exploration Licence to Frontier Resources. It should be noted that this is an Exploration Licence - not a Mining Lease, as exploration is still required to prove the gold and copper resource is of such magnitude to justify the expense of a mining operation. A satisfactory Environmental Impact Study and other environmental, social and economic issues will need to be approved before any Mining Lease is issued.

The recent problems of environmental damage from the Tolokuma Gold Mine in the Goilala area of the Central Province should not be repeated with any Mt Kodu mine. Tailings from Tolokuma has effected villagers residing along the Angabanga River system and environmental studies are continuing into this purported pollution.

Any similar problem from Mt Kodu mining operations could affect villagers living along Ofi Creek, Naoro River, Brown River and Goldie River right to the southern coast west of Port Moresby.

There is a large population in the lower reaches of this river system who rely on this water for their daily needs.

KTA board representatives and the Koiari LLG President met with some 150 Naoro, Ioribaiwa and Edevu landowners in January 2008 and resolved that mining exploration and trekking should co-exist with trekking of the famous Kokoda Track. This resolution was passed on to the Minister for Mines. There has still been no decision made on the renewal.

Over recent weeks and currently, there have been many discussions with individual landowner leaders from Naoro area, and other villagers from along the Track from Kokoda to Owers' Corner and Sogeri as well as meetings between Government officials to resolve the issue. A suitable solution seems close to hand. A demonstration and petition presentation is planned for the Minister for Mines at his office next Wednesday 20 February by Naoro landowners under Police surveillance.

The majority of stakeholders believe that the Exploration Licence should be renewed to Frontier Resources.

In any renewal of a mining or petroleum exploration licence, there is a mandatory 50% reduction in the area of the tenement. It is therefore suggested that such reduction would allow for Frontier to continue exploration at their Mt Kodu site with access on their present Owers' Corner to mine-site track and the North West Elo site with access from the Edevu road off the Hiritano Highway. There should be a 2 to 3 km wide "Exclusion Zone" where the Kokoda Track passes through the Mt Kodu prospect included in the Exploration Licence. Mt Kodu exploration boundary would be to 500 metres east of the Kokoda Track at Ofi Creek. This is the present situation.

Kokoda Track War Historian and author of Field Guide to the Kokoda Track, Bill James, has supplied copies of 1942 military maps of the Kokoda Trail and parallel tracks between Ioribaiwa, Manari and Kagi which indicate that there were three parallel tracks to the Kokoda Trail in the Ofi Creek and Naoro area. The commanders during the Kokoda Campaign referred to the main wartime route as Kokoda Trail and the others as parallel or secondary tracks which were also used in the campaign. One of

those tracks is the original Port Moresby - Buna route (*Bunadala*) which was used by Police and Postmen pre-war to get mail and small parcels between Port Moresby, Kokoda, Buna and other outposts in between. These tracks have been merged in places to form the current Kokoda Track / Trail.

The Kokoda Trail "War Zone" or proposed "Exclusion Zone" of suggested 2 to 3 Kilometres width (with the Track/Trail located within) was the scene of bloody battles where many Papuan carriers including Koiari, Biage, Kanage and Orokaivans together with Japanese and Australian soldiers lost their lives. Most Australian bodies were recovered and re-interred at Bomana War Cemetery whilst the Japanese and Papuan remains were left buried where they died or often in mass graves. Some Japanese remains were identified years later by their families and were returned to Japan. There are still World War II bodies located on the Kokoda Track, as was recently revealed by Kokoda Spirit Managing Director, Wayne Wetherall, who last week located the full skeletal remains of a Japanese soldier including his dog-tag.

As described by Bill James and Soc Kienzle (son of the late Kokoda Campaign Angau Officer Bert Kienzle of Mamba Estate in Kokoda), the Kokoda Track/Trail is a sacred war grave site. It is improper for a bulldozer to excavate graves without proper procedures being followed. Can you imagine a bulldozer tearing up the graves at Bomana War Cemetery or 9 Mile Cemetery. There would be a public outcry!

The Naoro landowners suggest that with mining exploration continuing, a parallel track some 400 metres to the west of the existing Kokoda Track at Ofi Creek be used by trekkers. There is also the other option of trekkers commencing or completing their trek to/from Kokoda by access from the Edevu Road off the Hiritano Highway. This road passes through the Edevu Sawmill and logging access roads to Matilogo Village and can be traversed by 4WD vehicle quite safely.

These roads have recently been graded by the Logging Company who are selectively logging the area west of the Kokoda Track. From Matilogo Village across the ravine can be seen the Kokoda Track villages of Efogi and Kagi. It is a 5 hour walk from Matilogo to Manari Village on the Kokoda Track.

Last week the Edevu landowner leaders were approached on the possibility of accessing Kokoda Track via their territory and they are keen for such to happen as they wish to participate in sustainable tourism developments, including Mount Victoria, which landowners and local tour operators with overseas clients are embarking on this year. They have vehicle transport, guides and carriers also available for hire to Trekking groups.

On the Kokoda Track Authority (KTA) issue, KTA was established by NEC decision in May 2003 and proclaimed by the Head of State on 5 June 2003. The five year life of the KTA expires on 5 June 2008. The three year term of office of the Management Committee expired on 9 December, 2007 and the two Local Level Governments of Koiari and Kokoda have not yet resolved who the new LLG appointed members will be. The KTA board is therefore currently acting in a transitional capacity, with the Executive Officer currently trying to caretake the organization under much pressure.

The National Government, through the Department of Provincial and Local Government Affairs when establishing KTA, did not make provision for budgetary support for recurrent expenses of KTA, including the employment of the Executive Officer and support staff, and the administrative expenses of the office and field activities. Budgeted allocations for KTA from both Oro and Central Provincial Governments have never been received by KTA management for banking into the authorized KTA accounts. The operation of KTA has had to be funded by utilizing part of trek fee income. This is a sore point with landowners along the Track who believe that the majority of trek fee income should be used for community benefit projects.

In 2007, there were 5117 trekkers registered on Kokoda Track. Trek fees amounted to K895,000 of which 50% had been used for recurrent expenditure, including excessive allowance and claims paid to certain management committee members and their associates. The balance has been used for Community Developments and Benefits ranging from Secondary / High School and Tertiary sponsorships to over 60 students from the Kokoda Track area families, track clearing and log bridge maintenance, VHF village radio and Mt Fala repeater maintenance, water supply extensions, school, hospital and aid post supplies, church meeting financial assistance, youth and sports (including Lae Games) assistance, women's affairs, welfare of medical and funeral costs contribution, agriculture developments of sheep and poultry, camp site improvement assistance, local tour business operations assistance, etc.

KTA is working in conjunction with the National Cultural Commission and the Kokoda Trail Development Programme in infrastructure improvements along the Track commencing in March 2008 with a Police Post at Owers' Corner and Efogi and community camping ground facilities at Owers' Corner, Efogi, Isurava, Kovello, and suspension bridges on dangerous river/ creek crossings of Goldie River, Eora Creek and Templeton's Crossings. The new Police Posts will be staffed with regular police on rotation, community police and a Ranger.

KTA has provided assistance to the communities but it is not possible to improve the situation under the present KTA administrative structure. KTA was established under the *Organic Law on Provincial and Local-level Government* and the *Provincial and Local Government Administration Act*. It appeared to be the ideal vehicle to administer the trekking activities and infrastructure developments along the track but because of the fantastic interest shown by trekkers and the communities, the present structure cannot cope. Trekker statistics were 76 in 2001, 365 in 2002, 1,074 in 2003, 1,584 in 2004, 2,374 in 2005, 3,747 in 2006, 5,117 in 2007 and over 6,000 anticipated in 2008.

Since March 2007, discussions have taken place with KTA board members, Koiari and Kokoda LLG members, Kokoda Track landowner leaders, Tour Operators, Government officers and the Australian High Commission in relation to replacing KTA with a more appropriate body. This has become more necessary now with the allocation by the Australian Government of AU\$15.9 million (K42million) for assisting the PNG Government in obtaining World Heritage listing of part of the Owen Stanley Ranges, including the Kokoda Track, and assisting with the establishment of suitable administration of sustainable trekking/tourism on the Track.

The possibility of corporatizing the Kokoda Track operations by having some 17 village communities along the Track as shareholders in such company, with minority shareholding by the Kokoda and Koiari LLGs was considered but is impracticable.

Because Australian Aid will only be allocated to a PNG Government Agency, the current consideration is to establish a Foundation under the *Associations Incorporation Act*. This will be modelled along the lines of the **Surf Association of PNG Inc (SAPNGI)** which has affiliated "Club" members from the 20 surfing sites in PNG, associate members and corporate members. It has taken 20 years for this arrangement to be established and proven. The SAPNGI has been widely accepted by landowners in the surfing industry. Other Pacific nations of Fiji, Samoa and Solomon Islands want to adopt the model to get landowners involvement in the tourism / surfing industry and the benefits that ensue.

In the case of the Foundation for the Kokoda Track, it is proposed that PNG Tourism Promotion Authority (TPA) take the lead role in conjunction with the Dept of Environment & Conservation in administering the Foundation with financial assistance from the Australian Government and the PNG Government. **It is proposed that a Kokoda Trail Division be established within TPA.** Its structure would include a General Manager, Manager Marketing, Manager Corporate Services, Manager Operations. Under these managers would be officers for marketing, product development, human resource, investment training, public relations, rangers and projects. As World Heritage listing progresses, that aspect could be encompassed within a merged structure.

It is proposed the Foundation membership would be six Affiliated Kokoda Trail Village Communities (KTVC), each appointing a community selected board member. These communities envisaged are Kanage/Orokaiva, Lower Biage, Upper Biage, Upper Koiari, Lower Koiari, Sogeri Grasslands Koiari. There are several KT Associate Members (Government) envisaged in representatives of Kokoda LLG, Koiari LLG, PNGTPA, NCC, DEC, RSL, and KT Corporate Members of Industry Stakeholders (Tour Operators, Airlines, Hotels, Transport Companies, etc).

In March, TPA is conducting 4 day training courses at Kokoda, Kagi and Sogeri in the role of tour guides and trekking and sustainable tourism, including a St John Ambulance First Aid Course for the 20 guide and medic attendees at each course. At these venues TPA officers will also explain the changing roles of KTA and the proposed Foundation.

Hopefully the change from KTA to Foundation can be achieved in the next three months. The Minister for Culture and Tourism, Hon Charles Abel MP is backing the proposal together with rationale being adopted with the Mt Kodu mining issue. It is proposed that the National Executive Council (NEC) will be considering Kokoda Track issues during their meetings this coming week.

We trust that the Press Release is suitable for publication in present or edited form. Please phone me on 325 1887 or mobile 685 7685 or via email should you require clarification on any of the matters reported.

Yours faithfully  
Kokoda Track Authority



Warren R Bartlett Executive Officer

9<sup>TH</sup> March, 2008

**Name of Witness:** BARTLETT **First Names:** Warren Roland

**Occupation:** Executive Officer of Kokoda Track Authority **Age:** 64 Years

**Address:** Portion 936, Rouna Road SOGERI, PO Box 3367, BOROKO, NCD

**States:** On 6<sup>th</sup> December, 2007 I raised Kokoda Track Authority (KTA) Tax Invoice No 68-2007 on Central Provincial Administration for the amount of K25,000.00 being a claim against a K25,000 Tourism Development allocation to Kokoda Track Authority by the Central Provincial Government. The original Provincial Government allocation was to have been K60,000, however that had been reduced to K25,000 due to a shortfall in the Central Provincial Government funds.

The invoiced claim was for reimbursement for the cost of maintenance of Veselogo Bridge on the Owers' Corner Road, the cost of monthly maintenance payments to local village contractors for maintenance of memorials at Depo, McDonald's Corner and Owers' Corner and for contribution towards Kokoda Track clearing and log bridge maintenance between Owers' Corner and Templeton Crossing in 2007. The invoice stated that the payment was to be by cheque only - payable to "Kokoda Track Authority - Operating Account"

The invoice was handed to **Mr Norris Selu, Deputy Chairman of the Kokoda Track Authority** who lodged the invoice with the Central Province Cash Office at Konedobu for payment. Norris was asked on several occasions commencing mid-December as to when the cheque would be ready for collection and the response was that the claim was being processed. In January, Norris advised that that the cheque had been processed in December and would be released once the Cash Office opened in January and once the Provincial Government had received the start of its 2008 funds allocation. He advised that this would be in February, then later, March and then April.

Becoming suspicious, I requested Mr Tony Abavu, a Committee member of Kokoda Track Authority representing the District Administrator for Kairuku-Hiri District, to follow up. In early February, Tony was able to obtain from the Central Provincial Government Cash Office a copy of the Cheque Usage Report for Central Provincial Government - 2007 dated 11 Dec 2007 which revealed that a cheque # 59458 had been issued to Kokoda Track Authority, reference 670 71251 for K25,000. The cheque Usage Report revealed that the said cheque had been signed for as collected on 11.12.07 by an unknown signatory.

Garry Imiri, a committee member of Kokoda Track Authority, advised me in January that he had seen a K25,000 Central Provincial Government cheque in the hands of Norris Selu. I continually asked Norris when the cheque from the Provincial Government would be received for banking into the KTA bank account, however he always responded that the cheque was still awaiting funds availability before it could be released.

Tony Abavu provided two typed reports to me of his investigation into the missing cheque, both of which indicated that irregular practices had occurred, indicating fraud.

On 4<sup>th</sup> February, 2008 I wrote to the Manager of the Bank South Pacific, Port Moresby branch requesting information as to whether the Central Provincial Government cheque # 59458 had been debited to their bank account# 1000585679 at that Branch, and if so, as to whether it had been cashed and by whom and/or whether it had been deposited to some other account. A copy of this letter was also sent to KTA's bank manager at the Douglas Street branch of the Bank South Pacific.

The Bank Manager of Port Moresby branch advised the Douglas Street bank manager, who in turn advised me, that the cheque had been deposited into an account # 1001163704 of Kokoda Track Authority at the Bank South Pacific Waigani Drive Branch. On 14<sup>th</sup> February, 2008 I wrote to the Manager of the Waigani Drive branch requesting information on when the Kokoda Track Authority Ne 1001163704 was opened, the names of the authorized signatories and copy of all bank statements from when the account was opened. I also requested that the account be closed and transferred to the correct bank account at BSP Douglas Street, Port Moresby.

KTA has three authorized bank accounts at Douglas Street branch, being:

Kokoda Track Special Purposes Authority - Trek Permit Fee Ne. 1000981336  
Kokoda Track Special Purposes Authority-Operating Ne. 1000981338  
Kokoda Track Special Purposes Authority- Kokoda Day Ne. 1001228150

The Executive Officer is a compulsory signature to all accounts. The other two signatories are the Chairman / Deputy Chairman and a Committee Member.

I followed up the letter to the Waigani Drive branch on 15<sup>th</sup> February by a phone call to the Manager, who advised me she had referred the matter to the bank's Investigation Branch who had advised that no information be released until a search warrant on the Bank had been received.

On 15<sup>th</sup> February, 2008 I wrote to the Officer-in-Charge of the Fraud & Anti-Corruption Squad requesting an investigation be carried out into this matter, supplied copies of all

documentation and correspondence in relation to the case. I also reported two other incidents of fraudulent dealings with cheques and bank accounts involving **Norris Selu**.

On or about 24 December, 2007 there was a cheque leaf stolen from the KTA Operating *Ne* and cashed at BSP Douglas Street on 24/12/2007 for K1,400.00. In reconciling that account's December bank statement I discovered that cheque # 048093 had been debited to the account in the amount of K1,400.00. I wrote to the Manager of Douglas Street branch requesting investigation relating to that cheque. He provided a photocopy of cheque 048093 which revealed the cheque had been made out to cash for K1,400.00, signed by Norris Selu with a forged signature of Garry Imiri and my compulsory signature was omitted. The cheque was cashed on 24/12/2007 and signed as receiving the money by Norris Selu. This is a clear case of fraud and copies of evidence regarding this transaction supplied to the Fraud Squad with my letter dated 15<sup>th</sup> February, 2008.

In December, 2006 there was a case similar to the K25,000 fraud, where a cheque for K3,000 from Sir Moi Avei payable to Kokoda Track Authority was deposited to a new unauthorized account at BSP Port Moresby branch termed "Kokoda Track Authority - (Projects)" and cashed. Upon discovering this incident, the Bank closed the account and the balance of funds of K80.54 transferred to the KTA Trek Fee Ale at Douglas Street branch. **The signatories to this Projects Ale were Deputy Chairman Norris Selu, Aula Kobale, a representative from the Dept of Prime Minister, and Kila Sibolo, the Oro Provincial Government committee member on the KTA board at the time.** This is another clear case of fraud and copies of evidence regarding this transaction were supplied to the Fraud Squad with my letter dated 15<sup>th</sup> February, 2008.

At a meeting with Detective Inspector Timothy Gitua on 6<sup>th</sup> March, 2008, the Inspector produced evidence from the investigation into the Bank South Pacific Waigani Drive, that the account Kokoda Track Authority has been opened on 23 March, 2006. The opening of this account had many anomalies, being three signatories, one identified as **Norris Selu**, one appeared to be the signature of **Kila Sibolo** and the third signatory unknown.

The bank authority card did not have the name or position of the signatories, nor method of operation, any minute or resolution or correspondence from KTA re opening the account.

**Norris Selu's wife Nicole Kemara Selu**, who was a Public Relations Officer with BSP headquarters had apparently recommended the account as her name was on the authority form. Nicole is no longer employed by the Bank.

Inspector Gitua advised that there had been four deposits to the account, all funds having been withdrawn by cheques with the sole signature of **Norris Selu**. The deposits were as follows:

06/06/06	Sagric from Westpac Waigani	K 3,900.00
31/03/07	Kenneth Selu <i>TIT</i> from Canberra	K 1,980.00
14/12/07	Central Provincial Government	K25,000.00
01/02/08	Kenneth Selu <i>TIT</i> from Canberra	K 5,000.00

The opening and operation of this account titled "Kokoda Track Authority" # 1001163704 at BSP Waigani Drive by Norris Selu is a clear case of fraud.

Inspector Gitua advised that he had handed the file to Detective Constable 1/C Derek who would be conducting the investigation and would require a statement from myself and other witnesses.

**Norris Selu** has also been abusing his powers by seeking funding of amounts of K1,000,000, K3.4 million and annual ongoing K1,000,000 from the National Government by an Information Paper dated 14 December, 2007 to the Hon Dr Puka Temu CMG MP, Deputy Prime Minister and Minister for Lands, Physical Planning and Mining. Such submission was done under his name as Deputy Chairman of Kokoda Track Authority and was without the approval of the KTA Board and management.

Norris has also been abusing his powers as a board member and Deputy Chairman by claiming exorbitant allowances, motor vehicle hire for himself, payments to other board members and outside persons. Trek Fee funds which are for Community Benefit Projects have been misused by such unnecessary claims. He spends much of his received moneys drinking and has fallen out of favour with other board members and the Kokoda Track community, many of whom have written petitions requesting his removal from the Board.

I, Warren Roland Bartlett certify that this statement of four (4) pages is true to the best of my knowledge and belief. I make it knowing that if it is tendered in evidence, I will be liable to prosecution if I have knowingly stated anything that is false or misleading in any particular.

Signature: 

4<sup>th</sup> May, 2008

**Name of Witness:** BARTLETT **First Names:** Warren Roland

**Occupation:** Executive Officer of Kokoda Track Authority **Age:** 64 Years

**Address:** Portion 936, Rouna Road SOGERI, PO Box 3367, BOROKO, NCO

**States:** On or about 17 April, 2008 Kokoda Track Authority office in the Brian Bell Plaza, received a Tax Invoice# SGE220108 addressed to Sogeri Enterprises Ltd from 2 Fast Motors Limited of PO Box 4951, Boroko for the amount of K50,380.00. Also attached was a copy of a letter from Mr. Billy Lin, General Manager of 2 Fast Motors addressed to the OIC Forensic Science of Gordons Police Station, NCO.

Such invoice was for the hire of three motor vehicles used by the Deputy Chairman of Kokoda Track Authority but charged to Sogeri Enterprises Ltd. Sogeri Enterprises Ltd (of which I am managing director) has never ordered any hire vehicles from 2 Fast Motors, and therefore the person/s who used the said three motor vehicles, did so without the knowledge of Sogeri Enterprises Ltd.

I phoned Mr Jimmy Lin and advised him that the hire was not the responsibility of Sogeri Enterprises Ltd and that I recommended he repossess the vehicles from Mr Norris Selu and his associates and take legal action to recover the debt from Mr Selu. I advised Mr Lin that I had phoned him in January 2008 enquiring as to whether he was hiring any vehicles to Mr Selu or Kokoda Track Authority and he advised me at that time that he was not. I had become concerned that vehicles were being hired by Mr Selu in late 2007 and continuing into 2008 and that Kokoda Track Authority board had not authorized such. The receipt of 2 Fast Motors Ltd invoice to Sogeri Enterprises Ltd and copy of the letter to the OIC Forensic Science, clarified the unapproved hire.

Mr Selu has been claiming and receiving at least K100 per day for the past three months as well as his normal K400 per month Transport Allowance from Kokoda Track Authority. It would appear that he also wants to hire the said vehicles as an additional charge to Kokoda Track Authority via Sogeri Enterprises Ltd. This is considered to be a case of misrepresentation by having Sogeri Enterprises Ltd invoiced and indicates to be a fraudulent act.

I was approached by Const Kenneth Kagi regarding the matter. The Police believed that the debt could be shared by Kokoda Track Authority and the Kokoda Track Task Force, however Const Kagi was advised that the Kokoda Track Authority board would not be in favour of using Trek Fee income to pay for such unauthorized expense.

I, Warren Roland Bartlett certify that this statement of three (3) pages (with attachments) is true to the best of my knowledge and belief. I make it knowing that if it is tendered in evidence, I will be liable to prosecution if I have knowingly stated anything that is false or misleading in any particular.

**Signature:** ... \_\_\_\_\_  
"

## KOKODA TRACK AUTHORITY

Management Committee Board Members: 22 May 2008

<b>Alfred Amuli</b>	Chairman and representative for Kokoda LLG (Sworn-in 09.12.2004 - term expired 09.12.2007)
David Soru	Member & representative for Kokoda Koiari/Biachi Landowners (Sworn-in 09.12.2004 - term expired 09.12.2007)
<b>Norris J Selu</b>	Deputy Chairman & representative for Koiari LLG (Sworn-in 09.12.2004 - term expired 09.12.2007)
<b>Gary Imiri</b>	Member and representative Koiari Landowners (Sworn-in 09.12.2004 - term expired 09.12.2007)
Richmond Taylor	Member and representative for Sahe District Administrator (Not Sworn-in and replaced Kila Sibolo in 2007)
Tony Abavu	Member and representative for Kairuku-Hiri District Administrator (Sworn-in 09.12.2004 for no fixed term and continuing)
Michael Epoko	Member and representative for National Cultural Commission (Sworn-in 09.12.2004 for no fixed term and continuing)
Jerry Agus	Member and representative for PNG Tourism Promotion Authority (Not Sworn-in and replaced Jim Yomapisi in 2007)
Bob Kennedy	Member and representative for Returned Services League (Not Sworn-in and replaced Chris Warrillow and then Phil Dyke in 2007)
Vacant	Member and representative for Trekking Tour Operators (No nomination received due supposed conflict of interest)
Warren R Bartlett	Appointed Executive Officer in May 2004 and continuing.

**Note:** The only fixed term of appointment of three (3) years is for the Local Level Government appointees of Messrs Amuli, Soru, Selu and Imiri

Of the nine above committee members, five are still current, although three have not been sworn-in.

KTA

4 June, 2008

The Manager Bank  
South Pacific  
Douglas Street Branch  
PO Box 173  
Port Moresby NCO

Fax: 321 3741

Pages: 3

Dear Sir,

Stop Payment Request - Kokoda Track Authority - Trek Permit Account 1000981336 Cheque# 0044958 dated 3 June, 2008 K10,000

Yesterday I was approached by **Norris Selu, the Deputy Chairman of Kokoda Track Authority** at my residence and office at Sogeri. He was drunk but very polite and insisted that Kokoda Track Authority pay a claim dated 2 June 2008 for allowances and expenses.

This claim (copy attached) is quite unjustified. Kokoda Track LLG Special Purposes Authority (Kokoda Track Authority) will cease to exist as of 11 June, 2008 as its five year term of office will not be extended by the Government. A more appropriate organization is currently being prepared.

I explained to **Norris** that I did not approve the claim and that there is probably insufficient funds in the account to cover it. I have a deposit of trek fee income cheques to make, but these will cover outstanding school scholarships deposits yet to be lodged.

His polite threats of possible violence made me decide to issue the cheque signed by himself and myself and to be countersigned by committee member Gary Imiri, who would present the cheque to the Bank for cashing. I advised him that the Bank may reject the payment if funds were insufficient.

At 1.30pm I received an irate Digicel mobile phone call from Gary Imiri, presumably in the Bank, where he was informed that funds were insufficient to cover the cheque. I advised him that I had anticipated such. He requested I organize an overdraft facility, which I refused. He was quite abusive so I hung up. I received 40 missed calls from Gary Imiri's mobile phone from 1.30pm to 8.00pm, which I have not responded to. I have since changed my Digicel Sim card to another number.

The Fraud Squad are still working on the K25,000 misappropriation case implicating Norris Selu and his accomplices and this is another attempt of abuse of power. The Fraud Squad officer leading the investigation is on leave until 16 June.

Your assistance in arranging stop payment of this current K10,000 cheque is appreciated.

Yours faithfully  
Kokoda Track Authority



Warren R Bartlett  
Executive Officer

Attachments .....



KTA

20 June, 2008

Mr V Varimo  
Legal Officer  
Dept of Provincial & Local Government Affairs 9<sup>th</sup>  
Floor Somare Foundation  
**WAIGANI NCO**

Dear Varimo,

Brief in relation to Port Moresby Visit by 11 Kokoda LLG Councillors and others in relation to Kokoda Track Administration Restructure

Reference my telephone conversation late Thursday afternoon in relation to the present unexpected visit of 11 persons from Kokoda. Details in relation to this visit are as follows:

On Monday and Tuesday 16 and 17 June I received phone calls from Mr Benson Godova (ex PNG Defence Force) of Kovello Village, Kila Sibolo (former 2004-2007 KTA board member) from Popondetta and Alfred Amuli (KTA Chairman).

They advised that a group of Kokoda leaders were coming to Port Moresby to meet with various persons in relation to the review of Kokoda Track Authority (KTA) by the Department of Provincial & Local Government Affairs and the Department of Environment & Conservation. They also wanted to follow up the reason for the delay in release of funding as promised by the Australia Government in 2007 of some AUD\$14.9 million.

I advised the three enquirers that both departments and the Australian Government representatives had conducted the audit inspection from Kokoda to Sogeri in May and that their report had been completed. Other discussions on the review and possible restructure of Kokoda Track management were well underway and that both Ministers had to be briefed next week before the government recommendations could be released and discussions with landowners, provincial and local governments, tour operators and other stakeholders would then commence.

From meetings I had attended with DP&LGA and DEC this and last week, I was advised that the Government was not prepared to meet with landowners until their ministers had been briefed. Any interested groups should therefore wait until next week when hopefully such discussions with stakeholders could commence with some meetings in Kokoda. It was also recommended that the BSP Bank be advised to freeze the KTA bank accounts for withdrawals as the term of office of four of the signatories had expired and legally they should not be able to operate the KTA bank accounts.

Messrs Amuli, Sibolo and Godova agreed with my remarks about deferring their visit.

I was therefore surprised to learn that on Tuesday 17 and Wednesday 18 June, some 11 Kokoda leaders had boarded aircraft from Kokoda to Port Moresby and were attempting to meet with the Government. Mr Peter Vincent, CEO of TPA phoned me 4.30 pm from the Holiday Inn and advised that he had been requested to meet with Hon. Anthony Nene MP Sohe and some Kokoda landowners regarding Kokoda Track developments. Mr Vincent waited at the Holiday Inn for some time but the Member and Kokoda visitors did not show.

At 3.30pm Thursday 19 June, Hon Job Pomat Minister for Inter-Government Relations, phoned me and advised that some eleven Kokoda leaders were with him and required KTA to provide them with accommodation, meals and allowances during their stay. I advised that the KTA bank account had been frozen as per above. He was surprised and thought that this was irregular and enquired as to who authorized such. I informed him that such came from the meetings with DEC & DP&LGA.

He insisted that I make arrangements to meet the expenses of these visitors otherwise they may threaten to close the Track. I advised the Minister that I had assisted with such matters in the past from my company Sogeri Enterprises Ltd but that I had been advised by the Government Officers that such action is not appropriate with Government bodies and that I may not be re-imbursed. I also advised that my funds were currently depleted and that any assistance would be difficult. The Minister requested I do my best to assist.

I phoned Noko Accommodation, Gordon Transit Lodge, Comfort Inn, Hideaway Hotel seeking accommodation, but all booked out. I phoned Gary Imiri, one of the KTA board members, who happened to be with Alfred Amuli and the group, providing transport for them with the Koiari Holdings mini-bus. He advised that the group who arrived on Tuesday had found and paid for accommodation at Bisini Lodge for Tuesday night. Gary would seek out new accommodation for the group. Around 5.00pm I received a phone call from Kanini Lodge management seeking approval to accommodate these people. I agreed and advised I would visit them on Friday morning to settle.

I then phoned Varimo and explained the situation. He requested I supply him with a brief so he could inform the Minister of developments.

Gary Imiri has confirmed to me that the eleven stayed at Kanini Lodge last night and that they were prepared to return to Kokoda on Sunday or Monday. I have made enquiries with Hevilift and Airlines PNG for them to travel to Kokoda on Sunday. Gary also advised me that the group put a letter to the Minister and included in that was a request for K13,820 to cover the group's cost of their visit to Port Moresby and preparations at Kokoda for a delegation visit including the Ministers of Inter-Government Relations and Environment in the imminent future. Gary Imiri advised that Minister Pomat had requested that KTA pay for all these expenses. Any such payment would come from the

frozen KTA Trek Permit account, the funds of which are destined for community development projects.

In the meantime, it would appear that Sogeri Enterprises will be forced to assist again - but only on the basis that it is reimbursed quickly.

The freezing of the bank account was performed because of legal implications of expired term board of directors continuing as bank signatories and also that since December, 2007 there have been numerous claims lodged by the **Deputy Chairman, Norris Selu**, for the budgeted allowances as well as numerous unbudgeted expenses including the Mt Kodu / Kokoda Track Task Force established over the mining exploration licence. **Since December 2007 to June 2008, these has been over K250,000 paid out on these claims from trek fee income.** If such continued at approx K10,000 per week, plus legitimate budgeted recurrent expenditure, there would be less than 25% of trek fee income available for community projects. KTA has already paid out K65,000 in school fee subsidies and the balance of K35,000 is anticipated to be paid later this month once the bank account signatories have been put in order.

**Mr Graeme Beech, AusAID adviser to the Department of Environment & Conservation, has a copy of these claims lodged under KTA inter-office memoranda by Norris Selu.** He will pass them onto you for information for the Minister.

**The National Fraud & Anti-Corruption Directorate is about to interrogate Norris Selu in relation to a number of fraudulent activities of Norris Selu against KTA.** These are in relation to opening phantom KTA bank accounts, receiving K25,000 and other KTA funds into such accounts and expending them, false representation in hiring of vehicles amounting to K\$0,000 to 2 Fast Motors, K18,000 to Henry Jons Amuli, etc. The man is corrupting negotiations for the review and possible restructure of KTA and corrupting other board members and leaders of the community. He should not be allowed to mix with these Kokoda visitors and sow bad seeds. Fraud Squad action must be completed as a matter of priority. The officers investigating the case are Inspector Timothy Gitua and Const 1/C Derrick Gitua of the Fraud Squad.

Other information can be supplied as requested.

Yours faithfully  
Kokoda Track Authority



Warren R Bartlett Executive  
Officer



OFFICE OF THE SECRETARY

Telephone: (675) 325 0233  
Facsimile: (675) 325 0553

Department of Provincial &  
Local Government Affairs  
P.O. Box 1287,  
BOROKO, 111,  
National Capital District.

9 July 2008

Papua New Guinea

Kokoda Track Tour Operators  
C/- Kokoda Track Authority  
POBox545  
BOROKO - NCD

**Dear Kokoda Track Tour Operators**

**Office of the Secretary re: Operation of the Kokoda Track Authority**

As you are aware, the Kokoda Track Authority is a special purpose authority, established to promote trekking and tourism along the track, collect and manage trekking fees and other associated functions.

Some serious allegations of mismanagement within the Authority have been brought to the attention of this Department and the Minister for Intergovernmental Relations. The Department and the Minister is currently consulting with landowners and other affected parties to develop some interim arrangements that would address the immediate concerns about any financial mismanagement and the track.

At the moment the Government is planning to vary the membership of the Authority, this would reduce the size of the membership and put in place senior government officials. The new members could then instigate stricter financial controls. In the meantime, the KTA is still operating and the track will remain open.

For further questions, please contact Varimo on Phone: 3250233 Ext . 1038  
Yours sincerely

**ANASUPE Z ZURENUOC**  
Secretary  
Secretary

**ZURENUOC OBE**

Copies: Secretary for Department of Environment and Conservation  
Australian High Commissioner



# KOKODATRACK AUTHORITY

Authority of the Kolmda and Koiari J.,ocal.Len,t Gonmm,,ntsl

## KTA Notice

Please be advised that the National Executive Council (NEC) has endorsed the change of directors (committee members) of the Board of Kokoda Track Authority and recommended the Head of State to approve the Amended Proclamation.

The new Board should take office later this month and a new management structure put in place.

Until these procedures have been put in place, this office will be closed.

Any enquiries in relation to Kokoda Track matters can be referred to Mr Varimo at Department of Provincial & Local Government Affairs on phone 325 0233 Ext. 1038 or Warren Bartlett on phone 325 1887, 685 7685 or 7265 6138 for referral to the appropriate person.

Track Permits for walking the Kokoda Track can be obtained by phoning Warren Bartlett and arrangements made for delivery and payment.

Information on other matters can be referred to the above persons and passed on to the new Board and Management Team.

Yours sincerely

• Warren R Bartlett  
Executive Officer  
22 July, 2008

Copy: Secretary, Department of Provincial & Local Government Affairs - Waigani

First Floor, Brian Bell Plaza, Boroko. PO Box 545, BOROKO, NCD 111, Papua New Guinea

E-mail: [kokodatrack@pna.gov.pg](mailto:kokodatrack@pna.gov.pg) Ph: (675) 323 6165, Fax: (675) 323 6020.  
Mobile: 685 7685. Chairman: 690 8028

KTB

11 August, 2008

Mr Manasupe Z Zurenuoc OBE Secretary  
Department of Provincial & Local Government Affairs PO  
Box 1287  
**BOROKO NCO 111**

**Fax: 325 0553 Pages: 19**

Dear Mr Zurenuoc,

**Kokoda Track Authority - Further Fraudulent Activity with KTA Bank Account**

Reference my phone discussions with your legal officer, Mr Varimo Saka on Friday 8 August and on Monday 11 August.

In preparation for the new KTA board coming into existence, I collected on 8 August, bank statements for the two Kokoda Track Authority bank accounts operated at the BSP Douglas Street branch, namely the Trek Permit Fee *Ale* 1000981336 and the Operating *Ale* 1000981338. I was astounded to note that there had been unauthorized payments from the Trek Permit Fee *Ale* commencing on 18 July, 2008 with K56,120 and further transactions to 7 August, leaving a balance of K11,622.51. There had been three telegraphic transfers between 16 July and 4 August from Trek Operators paying for their trek permits and the balance should have been K152,715.51. **A total of K141, 093 of Trek Fee moneys has been misappropriated between 18 July and 7 August!**

Luckily, fearing that such may happen if there is a delay in appointing the new interim Board and management, I have not deposited cheque and cash payments received for trek permits since 28/6/08 totalling K36,300 but have it locked away in a secure safe.

It would appear that there was an illegal KTA board meeting of expired term committee members held on 15 July, and that a decision to change bank account signatories implemented despite written advice to the Bank that such may be attempted and for yourself and/or Legal Officer, Varimo Saka informed of any such attempt. This apparently was not the case.

I met with the BSP Douglas Street bank manager Mr Andrew Bokame on 30 July and he confirmed to me that there had been no changes to the bank accounts. It would appear that this is not the case and there may be some inside bank collusion with Norris Selu and associates to get the signatures changed.

On Wednesday 6 August, I met with Brian Bell & Co property manager, Mr Reatau Rau in the Brian Bell Plaza and paid the KTA office rent with my Sogeri Enterprises Ltd cheque to ensure we did not lose the office at this stage until the new board and management decide on future office requirements. Mr Rau advised that pressure was being exerted on him to hand over the spare keys to the office or have the office opened so the self appointed board and staff could resume KTA administration and issue trek permits. He refused to entertain their demands.


On Friday 8 August, one of the concerned Trek Operators handed me a copy of a circular letter to all Trek Operators requesting trek fee payments be deposited to KTA Trek Permit Fee *Ne* 1000981336, and that my services were terminated as of 15 July, 2008. The closure of the office was stated as "... due to Mr Bartlett's frustration of his termination by the Board .....". How ridiculous, I am merely trying to protect the interests of the Kokoda Track landowners and their trek Permit income for approved community projects. We are all looking forward to the Interim Board and Management coming into existence as a matter of expediency so that criminal activities of the past board can be put to an end with legal proceedings instigated with a growing number of them as the fraudulent activities escalate.

I have spoken with Mr Vincent Henry, Legal Officer with the Bank South Pacific (phone 321 1999, fax 321 1587) and faxed him 16 pages of documentation in relation to the present situation.

I attach the same documents to this letter, which your Legal Officer, Mr Varimo Saka has requested he be copied.

This evening I shall email all Tour Operators in relation to the circular letter dated 8 August, and advise them that under no circumstances should they deposit moneys to either of the two KTA bank accounts until the new Government appointed interim board and management are in place and the correct authorized bank signatories secured.

Yours sincerely Kokoda  
ck Authority



Warren R Bartlett  
Caretaker Manager

Attachments.....

Copy: Mr Varimo Saka, Legal Officer, Dept of Prov & LG Affairs.

UTA

23 September, 2008

The Manager  
ANZ Banking Group (PNG) Limited  
Turumu Street Boroko Branch  
PO Box 1718  
BOROKO NCO

Dear Sir,

### Kokoda Track Authority - Open New Cheque Account

Kokoda Track Authority is a local-level government authority owned jointly by the Kokoda Local-level Government of the Oro Province and the Koiari Local-level Government of the Central Province. It has its office located on the 1<sup>st</sup> Floor of the Brian Bell Plaza, Turumu Street, Boroko since 2005.

The authority was established in 2003 by Proclamation and is responsible for the co-ordination and administration of trekking activities on the Kokoda Track as well provide community infrastructure developments and benefits for the local communities and ensure the protection of the environment.

When the authority was established, it opened two bank accounts at the Bank South Pacific, Douglas Street Port Moresby branch. The original Management Committee has now been replaced with new members who were sworn in on 11 September, 2008. At their ensuing first board meeting on 11 September, 2008 they resolved to close the bank accounts at the Bank of South Pacific and open new accounts at your more convenient ANZ Bank in the Brian Bell Plaza.

The Australian and PNG Governments have now undertaken a joint understanding to assist the Kokoda Track Authority and an AusAid funded Executive Officer, Operations Manager are shortly to be engaged as well as the services of KPNG to provide financial administration services to the Authority.

Initially the new bank account termed " Kokoda Track Authority" is required as a cheque account to be operated on by any three of four of the Chairman, two Committee Members and the Advisor.

Once the new management team is in place, the account signatories will be reviewed and possibly a second account opened to separate trek fee collection and recurrent/operating income and expenditure.

The Authority is holding over K60,000 in trek fees to be deposited to the new account. Tour Operators are awaiting the account to be opened so that their trek permit fees can be T/T'd to the account. The BSP accounts are not being used due to fraudulent transactions by previous Board Members.

We attach the following documents for the Bank's reference:

- ANZ Bank Account Authority compiled and signed under Common Seal by the Chairman, Mr James Enage.
- Signed copy of the minutes dated 11 September, 2008, in which a resolution was passed authorizing the opening of the account at ANZ Bank Boroko.
- Copy of the Proclamation of Kokoda Track Authority dated 11 June, 2003.
- Copy of National Gazette No. G151 dated 3 August, 2006.
- Copy of the Constitution of Kokoda Track Authority.
- Copy of the Proclamation of Variation of Kokoda Track Authority dated 13 August, 2008.

We thank you for your early approval of the new account so that deposits can commence.

Yours faithfully  
Kokoda Track Authority  
James Enage Chairman

Attachment.....

Copy: Secretary  
Department of Provincial & Local Government Affairs

Secretary  
Department of Environment & Conservation KTA

Board Members



KTA

27 October, 2008

The Managing Director,  
ANZ Banking Group (PNG) Limited  
Level 3, Defense Haus  
Cnr Champion Pde & Hunter Street PO  
Box 1152  
PORT MORESBY NCO

Dear Sir,

**Kokoda Track Authority - Open New Cheque Account - Boroko Branch**

On 24 September, 2008, I delivered the attached letter and supporting documentation into your Boroko Branch, (Teller #10) to establish a new cheque bank account with ANZ Boroko.

After almost two weeks I had not received any notification from the Bank as to the status of the application so I phoned 321 1079 and requested I speak to Boroko Manager. The request was refused but your Customer Services Consultant, Mary, advised she would relay my enquiry to Rose, the Boroko Branch manager for her to call me.

A week later, nothing happened so I spoke to Mary again who advised she would have Mary call me. I later received a call from Rose, who advised that the account had been approved and that the authorized signatories should appear at the Bank so their ID could be verified and photograph taken.

On Friday 24 October, the KTA Chairman, James Enage and myself called into Boroko Branch to have our ID verified and photographs taken. We obtained ticket D636 and waited for our number to be called (D633 was on the screen). This took some 30 minutes, but before then, James Enage left the Bank as he had other business to attend to. When D636 was called, I explained to the Teller that I was there to have my ID proven and photograph taken and to enquire of Manager Rose for the documentation regarding the opening of the account. The teller spoke for considerable time with Rose, who then spent considerable time on the telephone. I was asked for ID and produced my Driver's Licence and was advised I needed to supply a letter of employment from my Employer as well as my Passport. All of the signatories were to appear at the same time and bring similar proof of identification.

I explained that the signatories were important people and could not spare the time or indignity of the present procedures. Mr Manasupe Zurenuoc is the Secretary of the Dept of Provincial & Local Government Affairs and Mr William Sando is an Executive Officer of the Tourism Promotion Authority.

I stated that the Bank was most unprofessional in its attitude to Kokoda Track Authority, (KTA) which is a local level government authority established by the National Executive Council and the Governor General. KTA is responsible for the overall co-ordination and administration of the Kokoda Track, which is PNG's major tourism icon with almost 6,000 international trekkers in 2008.

I told the teller to request Rose, the Boroko Manager to forward the documents for the opening of the account to Head Office as I would be communicating with the Managing Director of the ANZ Bank. For the ID of signatories to be validated, such can occur in Head Office as we refuse to line up in ANZ Boroko.

It is also amazing that there has been no correspondence provided by the Bank to KTA acknowledging the account had been approved and requesting that the signatories appear at the Bank with supporting evidence to have their signatures validated and photographs taken.

I am only an interim signatory until the new AusAid assisted management team comes into place in

November some authorized signatories will be changed by the KTA Board. I have been holding some K122,000 in cheques for deposit to this new account, which will undoubtedly take 7 to 10 days to clear before funds will be available to be drawn upon. The opening of this account is therefore of paramount importance, some 5 weeks after the application was lodged.

I personally do not wish to visit the ANZ Boroko Branch again as its attitude to customer relations is pathetic. Banks require customers to survive, otherwise they would not exist. KTA wishes to use the ANZ Boroko facility for convenience and security purposes as it is in the same building as the KTA office (Brian Bell Plaza).

Any assistance your office can provide in having the account operating and an account number issued would be appreciated.

Yours faithfully

**Kokoda Track Authority**



Warren R Bartlett Advisor  
to KTA  
(former Executive Officer/Manager)

Attachment.....

Copy: Mr Peter Vincent and Mr William Banda Chief  
Executive Officer / Executive Officer PNG  
Tourism Promotion Authority

Mr Manasupe Zurenuoc Secretary  
Department of Provincial & Local Government Affairs KTA

Chairman and Board Members

KTA

14 November, 2008

Superintendent Anderson Bawa Operations  
Commander  
Royal Papua New Guinea Constabulary Police  
Station  
**BOROKO NCO**

Dear Sir

Assistance with Recovery of KTA Assets from Former Deputy Chairman of KTA- Mr Norris James Selu

Constable Roderick of Boroko Police Station has offered to assist Kokoda Track Authority (KTA) with the recovery of properties of KTA in the possession of former KTA Deputy Chairman, **Mr Norris Selu.**

**Mr Selu's** three year term of office on the KTA management committee expired on 9 December, 2007 and the whole Board has been replaced by a Variation to the Proclamation of Kokoda Track Authority approved by the National Executive Council and signed by the Governor General on 13 August, 2008.

I attach a copy of the said Proclamation of the Variation together with a letter from the Secretary of Department of Provincial & Local Government Affairs dated 22 August, 2008 advising Kokoda Track Tour Operators of the change.

The new Board of KTA has requested I (as former Executive Officer and now Advisor to KTA) to provide an asset register to the Board and the new Management of KTA.

The following assets are held by Mr Selu, believed to be at his Morata residence and need to be recovered. I attach copies of invoices to verify their purchase:

Mazda Sedan, colour green, Regn CAO 969	Cost: 13,356
!com ICF14 VHF Portable 16 Channel Radio transceiver, spare battery & charger Datec I-System Computer, monitor, etc (allocated to Chairman/D.Chairman desk) Datec I-System Computer, monitor, etc allocated to Public Relation desk) Kokoda Track Authority Common Seal	Cost: K3,478 Cost of 2: K3,966 Cost:

The motor vehicle had been involved in an accident in 2006 and KTA has purchased four second hand wheels to be fitted to the vehicle so it can be towed from the premises to presumably the Police Station yard.

**Mr Selu** is also facing misappropriation charges via the Fraud and Anti-Corruption Unit (Const 1/c Derrick Tangua) involving a phantom KTA bank account and misappropriated funds exceeding K25,000. Mr Selu was charged and bailed and is appearing before the Waigani National Court for committal hearing.

There is also further investigation underway for the misappropriation of K153,700 KTA funds between 18 July 2008 and 8 September 2008 after the KTA bank accounts had been frozen for any withdrawals to prevent outgoing board members and bank signatories from abusing the account.

**The Bank South Pacific is also a party to these allegations.** I attach copy of the bank statements and KTA ledger extract relating to these transactions. Further documentation will be provided upon request.

We thank your officers for any assistance they may be able to provide in recovering these assets.

A copy of this letter and attached documents is also being supplied to Const 1/c Derrick Tangua at the Fraud Squad at Konedobu (phone 321 1689 or 685 5352).

Yours faithfully  
Kokoda Track Authority

A handwritten signature in black ink, appearing to read 'Warren R Bartlett', is written over a horizontal line. The signature is fluid and cursive, with a large initial 'W'.

Warren R Bartlett  
Advisor to KTA (former Executive Officer)

Attachments .....

Copy: Const Roderick, Boroko Police Station

Const 1/1 Derrick Tangua, National Anti-Corruption & Fraud Directorate, Konedobu



2<sup>nd</sup> of January, 2009

Mr Ian Clyne  
The Chief Executive Officer  
Bank of South Pacific Ltd  
P.O. Box 78  
**Port Moresby**  
National Capital District

Dear Sir,

Request Reimbursement of K152,425.00 plus fees which was fraudulently removed from the Kokoda Track Authority Bank Accounts with BSP Douglas Street, Port Moresby Branch

## 1. PURPOSE

The purpose of this submission is to request the Bank of South Pacific Management to approve and reimburse an amount of K152, 425.00 plus fees to the Kokoda Track Authority (KTA).

*This stated amount of money was fraudulently removed from the Kokoda Track Authority Trek Permit Fee and Operating Accounts between 18<sup>th</sup> of July, 2008 and 9<sup>th</sup> of September 2008 in the Bank South Pacific Ltd, Douglas Street Branch, due to the negligence of this BSP Branch Management and staff, despite the advance advices and warnings given to the Bank Management by the KTA Executive Officer, Mr. Warren Bartlett, and the Secretary of the Department of Provincial & Local Government Affairs, Mr Manasupe Zurenuoc, prior to and during the occurrence of the fraud cases.*

## 2. BACKGROUND

The Kokoda Track Authority (also known as the *Kokoda Local Level Government Special Purposes Authority* and also as *KTA*) was established by the National Executive Council of Papua New Guinea after the NEC approval and establishment of the KTA on the 28<sup>th</sup> of May, 2003. The KTA was subsequently proclaimed by the Governor General on the 11<sup>th</sup> of June, 2003 as a legal entity to operate.

The interim KTA Board was put in place on the 5<sup>th</sup> of May 2004, where it appointed its Executive Office bearers. In this same meeting, the Board resolved to open two (2) new accounts with the Bank of South Pacific Ltd, Douglas Street Branch to ensure smooth process in the operation of the Authority.

The Board then decided that the Interim Chairman, **Mr. Alfred Amuli**, the Interim Deputy Chairman **Mr. Norris Selu**, the committee members, **Mr. Garry Imiri**, **Mr. David Soru** and the Acting Executive Officer (EO), **Mr. Warren Bartlett** will be the signatories to these two (2) accounts named Kokoda Track Authority Trek Permit Fee Account and Kokoda Track Authority Operating Account.

The Interim Board then decided that the method of operation will be any one of the Chairman or Deputy Chairman and any one of the two (2) committee members to sign on the KTA account cheques with the Executive Officer as the compulsory signatory to countersign all cheques for withdrawal. In the event that the KTA Executive Officer does not sign, it means no withdrawal of funds from these KTA Accounts.

After this meeting, the KTA Board opened the Trek Permit Fee Account (1000981336) and the Operating Account number (1000981338) with the Bank of South Pacific Ltd, Douglas Street Branch, Port Moresby.

This arrangement was approved by Sir Hon. Peter Barter, then Minister for Inter-Government Relations, who advised the Bank that for any withdrawal of funds, three (3) signatories as categorized above are to be strictly observed. (*Refer Annexure 1 for Peter Barter's letter to the Bank*).

### 3. FACTS AND CONSIDERATION

- 3.1 The term of all the previous Kokoda Track Authority Board Executives and members expired on the 9<sup>th</sup> of December 2007. This technically disallowed them to be involved in any withdrawal arrangement until the National Government approves the appointment of the new interim Board.

Upon the expiry of the previous KTA Board members, the KTA Management staff under the leadership of Executive Officer, Mr. Warren Bartlett continued to manage the collection of the Track Permit fees and deposited them into the appropriate accounts for safe keeping until the National Executive Council approves the interim arrangement of the KTA Board to administer the Authority in 2008.

While awaiting the National Government approval and announcement of the interim KTA Board arrangement, the previous term KTA Board members decided to regroup, threaten the Executive Officer, Mr. Warren Bartlett and continued to abuse the KTA accounts commencing in March 2008.

Under the Proclamation of the KTA, the Board members' terms had already expired. Also within the KTA Constitution, the term of the previous KTA Board expired on the 18<sup>th</sup> of June, 2008.

Due to the circumstance mentioned in section 3.4 of this submission, the Executive Officer of KTA wrote to Mr. Andrew Bokame, the Manager of Bank South Pacific Branch, Douglas Street, Port Moresby on the 13<sup>th</sup> of June 2008 and advised him to cease all withdrawals from the KTA Trek Permit Fee account number 1000981336 and KTA Operating account number 1000981338. The Manager was further advised to only accept and allow for deposits until the National Government appoint, approve and announce the new Interim KTA Board.

The instruction to Mr. Bokame from Mr. Warren Bartlett was a retrospective advice from the Department of Provincial Affairs and Local Level Government. The instruction was given after consulting the Department of Provincial Affairs and Local Level Government.

*Within that letter, Mr. Warren Bartlett was very clear and precise that should the Branch Manager, Mr. Bokame requires any further information regarding these two (2) KTA accounts, he should contact Mr. Tau Vali, the Acting Secretary for Department of Provincial Affairs and Local Level Government or Mr. Bartlett himself. (Refer to Annexure 2 for Mr. Warren Bartlett's letter of 13<sup>th</sup> June 2008 to the BSP, Manager).*

Since the 13<sup>th</sup> of June 2008 till the 6<sup>th</sup> of August, 2008, Mr. Bartlett collected and deposited a total of K157,924.00 into the KTA account. These funds were meant to be kept until the National Government appointed and endorsed the operation of the Interim KTA Board Members. This was plainly communicated to Mr. Bokame by Mr. Bartlett in his above mentioned letter.

On the 15<sup>th</sup> of July, 2008 the previous KTA Board comprising of four members got together and had an illegal meeting which had resolutions that were passed on the following agendas;

#### Agenda:

1. Terminations of Mr. Warren Bartlett as KTA Manager
2. Cheque books for KTA (Operating & Trek Permit) to be surrendered to the Board
3. Interim Board and Management Structure
4. Collection of Trek Fees
5. Restructure of the Authority
6. Unpaid allowances since 10<sup>th</sup> of June, 2008. (Minimum K44,130.00 of unjustified claims). 7.AOB

These meeting resolutions were presented to Mr. Warren Bartlett afterward.

Upon receiving this illegal meeting minutes from the previous Board members, Mr. Bartlett wrote to Mr. Bokame on the 20<sup>th</sup> of July 2008 of possible fraud in relation to the KTA accounts within the Branch by the previous Board members who were disappointed about their removal from the KTA Board.

He also mentioned the conversation on 11<sup>th</sup> August, 2008 with Mr. Vincent Henry, BSP Legal Officer, and to Mr. Bokame and also referred to his letter of 13<sup>th</sup> of June 2008 to freeze both KTA accounts which he reiterated in the second letter to the Bank dated 20<sup>th</sup> July, 2008.

Mr. Bartlett further advised the Bank Management that should there be any attempt to change the present banking arrangements, the Bank Management should have the courtesy to call the Secretary of the Department of Provincial Affairs and Local Level Government through its Legal Officer, Mr. Varimo Saka on telephone 325 0233, Ext. 1038 to get clarification on the matter before attempting to assist any person in relation to the KTA Accounts. (Refer to Annexure 3 for the Mr. Bartlett's letter of 20<sup>th</sup> July 2008),

Despite these warnings, which were sufficient to enable the Bank Management to consult the Secretary of the Department of Provincial Affairs and Local Level Government through its Legal Officer to clarify the matter before making any arrangement to change the signatories and the method of operation in the KTA Bank accounts, the Bank Management and staff failed to follow the advice and warnings. Instead, the Douglas Street BSP Branch staff went ahead and assisted the illegal KTA Board Members to fraudulently remove the Project Development Funds for the rural people along the Kokoda Track from the two KTA accounts.

The withdrawal transaction undertaken by the illegal Board Members on Account No. 1000981336 - Kokoda Track Permit Fee Account and Account No# 1000981338 - KTA Operating Track Fee Account are as follows;

	DATE	CHEQUE No.	ACCOUNT No.	AMOUNT (K)
	18/07/08	0005000	1000 981336	56,120.00
	22/07/08	0005018	1000 981336	17,176.00
	28/07/08	0005018	1000 981336	19,522.00
	31/07/08	0005000	1000 981336	35,000.00
	6/08/08	0005018	1000 981336	2,000.00
	7/08/08	0045026	1000 981336	10,000.00
	11/08/08	0045027	1000 981336	8,317.00
	18/08/08	0005000	1000 981336	1,300.00
	21/08/08	0005001	1000 981336	1,000.00
	01/09/08	0005017	1000 981336	270.00
	04/09/08	0005008	1000 981336	300.00
	09/09/08	0005004	1000 981336	320.00
	26/08/08	0005008	1000 981338	800.00
	01/09/08	0005017	1000 981338	170.00
	08/09/08	0005004	1000 981338	130.00
	<b>Total</b>			<b>152,425.00</b>

In total, the Bank of South Pacific Douglas Street Branch staff assisted the illegal KTA Board to fraudulently withdraw **K152,425.00** from the two KTA Accounts. (Refer to Annexure 4 for the Bank records of all the fraudulent transactions as stated above).

In relation to these fraudulent cases, Mr. Warren Bartlett, the Executive Officer of KTA and Mr. Bokame,

Manager BSP, Douglas Street met on the 30<sup>th</sup> of July, 2008 in the Bank's Priority Teller Room. Mr. Bartlett briefed Mr. Bokame about the state of the KTA and was further informed by Mr. Bokame that there had been no changes to the bank accounts.

Regardless of the correspondence and meeting mentioned above, the BSP staff continued to facilitate the fraudulent withdrawal of funds from the KTA accounts by the illegal and expired term KTA Board members without consulting the office of the Secretary of Department of Provincial Affairs and local Level Government to seek advise or clarification in relation to these accounts (Refer to Annexure 5 for Mr. Bartlett's statement of meeting with Mr. Bokame in his letter dated 1<sup>st</sup> of August 2008).

On 9<sup>th</sup> July, 2008 and 22<sup>nd</sup> August, 2008 Mr Manasupe Zurenuoc, Secretary for the Department of Provincial & Local Government Affairs wrote to Kokoda Track Tour Operators advising them of the changes in the operation of the Kokoda Track Authority and included copy of the Proclamation for the Variation of the Kokoda Track Local-Level Government Special Purposes Authority dated 13<sup>th</sup> August, 2008 signed by the Governor General, varying the composition of the membership of the management of the Authority. (Refer to Annexure 6 for Mr Zurenuoc's letters to dated 9<sup>th</sup> July and 22<sup>nd</sup> August to Kokoda Track Tour Operators).

On 22<sup>nd</sup> August, 2008 Mr Zurenuoc wrote to Mr Andrew Bokame, Manager BSP Douglas Street advising that the term of office of Messrs Amuli, Selu, Soru and Imiri had expired on 25<sup>th</sup> November, 2007 and confirmed that no further withdrawals are to be made on this account until further notice from his office. (Refer to Annexure 7 for Mr Zurenuoc's letter dated 22<sup>nd</sup> August, 2008 to Mr Bokame).

#### 4. ANALYSIS OF CASE

4.1 In analyzing and assessing the case and considering details in Section 3 and the Annexures of the submission, it is very obvious that these documents contained sufficient information to assist the Bank Management in preventing the fraud case amounting to K152,425.00 from the KTA Accounts at BSP, Douglas Street Branch.

Mr. Warren Bartlett's letter of 13<sup>th</sup> June 2008 was given in advance before the fraud case by the expired term KTA Board members, facilitated by the BSP staff from 18<sup>th</sup> of July, 2008 to 9<sup>th</sup> of September 2008.

This letter stated clearly that the Department of Provincial Affairs and Local Level Government had advised that the KTA Accounts be frozen for withdrawal and only deposits be accepted as of the 13<sup>th</sup> of June, 2008.

Hence, no further withdrawal was to be made as of the 13<sup>th</sup> of June 2008, by the expired term (December, 2007) Board Members, until the KTA structure was reviewed and put in place with the new Interim Board arrangement as endorsed by the National Government.

The letter concluded by stating that should, the Bank Management require clarification, the Bank Management should consult the Office of the Secretary for Department of Provincial Affairs & Local Level Government or its legal officer, Mr. Saka Varimo.

Despite, Mr. Bartlett's resourceful advice and direction, the BSP staff ignored the notice and facilitated the fraudulent withdrawal of K152,780 by the expired term KTA Board Members from the two KTA Accounts.

On 20<sup>th</sup> July 2008, Mr. Bartlett wrote to Mr. Bokame, the Branch Manger and reiterated his points in his previous letter to Mr. Bokame, dated 13<sup>th</sup> June 2008.

On 22<sup>nd</sup> August, 2008, Mr Zurenuoc wrote to Mr Bokame and confirmed the cessation of the term of office of the KTA board members and their bank signatory authorities and that withdrawals are not to be made on the account until further notice from his office.

Regardless of this notices and advises, the Bank staff continued assisting the expired date illegal KTA Board Members till 9<sup>th</sup> September, 2008, when all funds were depleted in both accounts.

In ignoring the notices that where given and continuing to assist the illegal KTA Board members to withdraw fraudulently from the KTA Accounts, the BSP Douglas Street Branch Management and staff had clearly displayed negligence of duty and allowed the Bank South Pacific to defaulted in this case.



The Bank South Pacific thus is liable to reimburse K152,780.00 to the Kokoda Track Authority for the negligence of diligent duty by its staff, thus victimizing its clients, the Kokoda Track Authority in this fraud case.

## **5. RECOMMENDATION**

In the light of all the above consideration, we the current interim Kokoda Track Authority Board recommend the following;

- 5.1 the Bank South Pacific reimburse the Kokoda Track Authority the amount of K152,425.00
- 5.2 the Bank South Pacific take appropriate action on all parties involve in this fraud case to recoup the funds that were stolen in this case.

## **6. CONCLUSION**

Should the Bank South Pacific Limited fail to address or entertain our request, the current Interim KTA Board will have no option but to seek legal assistance to further pursue this case with the Bank.

Yours faithfully

**Kokoda Track Authority**

**JAMES ENAGE**

**Interim Chairman**