

# A forgotten report: Taskforce Sweep's recommendations for reducing corruption in PNG



Photo Credit: Tatia Currie

by Grant Walton

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In October this year, Papua New Guinea's Taskforce Sweep released the findings of its investigation into inadequacies of oversight of key government departments. These included the Department of Justice and Attorney General, the Department of Finance and Treasury. The report was printed as a paid advertisement in PNG newspapers, but it can be difficult to access outside of PNG, so we have made a copy available [here](#) [pdf].

The report outlines 16 recommendations for improving public administration in PNG, which are wide ranging.

During his [recent visit](#) I asked Sam Koim, head of Taskforce Sweep, to nominate the most important recommendation of the report. Without hesitation he said that PNG's banking sector needed the most amount of attention.

He said:

*Fraud and money laundering is occurring because the banks are allowing it. If you regulate the banking industry properly, corruption would not occur as easily.*

In the report Koim calls for commercial banks to take a proactive stance in reporting suspicious activity and closing accounts. He suggests that PNG's Proceeds of Crime Act (2005) [pdf] should include guidelines for financial institutions to conduct due diligence on transactions relating to court judgements and legal fees – a [source of alleged large-scale corruption](#) in PNG.

Koim was also concerned about the Central Bank of PNG – known as the Bank of

Papua New Guinea (BPNG). His investigation found that suspicious payments by the Department of Finance were cleared by BPNG, without due diligence. The introduction of an electronic transfer system in October 2013 has reduced the likelihood of BPNG officials checking payments. He therefore calls for BPNG to establish an anti-money laundering division, and for BPNG to work with the country's Financial Intelligence Unit to review its newly established electronic payment system.

There has been little response by the government to the report. In fact, given that Prime Minister Peter O'Neill has been implicated in accusations of corruption related to the payment of legal fees, and that he has ordered Taskforce Sweep be disbanded, it's likely the government would prefer the report be forgotten. All the more reason to click on this [link](#) [pdf], and download it.

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Grant Walton is an associate professor at the Development Policy Centre and the author of *Anti-Corruption and its Discontents: Local, National and International Perspectives on Corruption in Papua New Guinea*.

Link:

<https://devpolicy.org/a-forgotten-report-taskforce-sweeps-recommendations-for-reducing-corruption-in-png-20141217/>