

Masalai i tokaut

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Somare Clan involved in illegal logging

Sir Michael Somare, the Prime Minister of Papua New Guinea, and his family, including son Arthur, have strong links to a new illegal logging operation in East Sepik Province.

A logging company, with the unlikely name of Brilliant Investment, is unlawfully exporting valuable logs from The Chief's home area in the Lower Sepik - and pocketing over US\$500,000 every month.

The Prime Minister is no stranger to controversial involvement with the logging industry. He was previously implicated in the 1989 Barnett Commission of Inquiry which labelled the logging industry as behaving like "robber barons". The Commission recommended Sir Michael for prosecution under the Leadership Code - something that he was able to use his connections to avoid.



Sir Michael Somare has been found guilty before of abusing a Ministerial position to favour foreign logging companies.

Now he is again implicated – this time in the illegal logging of his home area.

Below we present the evidence that shows how our Prime Minister and his family is again caught up in the web of corruption that surrounds the illegal logging industry in Papua New Guinea.

Brilliant Logging

Since the middle of 2005 there has been a new name in the logging industry In Papua New Guinea – Brilliant Investment Limited.

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This little-known company was registered with the Investment Promotion Authority in July 2004 and is wholly owned by Gohill Timber, a company registered in Sarawak in Malaysia. Brilliant has two Moresby based directors, Mr Yu and Mr Ling, who are well known to the Somare clan.

In June last year (2005) Brilliant Investment began moving logging equipment in to the Lower Sepik area that is the home base of the Somare family and which forms the central base of Sir Michael's parliamentary constituency.

Tree felling began in July, with the company specifically targeting only the highest value species with the forest. The first logs were exported in August and since then, an average of 8,000 cubic meters of logs with a declared value of over half a million US dollars, have been exported every month.

Barnett Inquiry

In his Interim Report Number 7 (Current Events), Justice Barnett revealed how in 1988, the National Executive Council had resolved to abolish the controversial legislation that permitted the declaration of Local Forest Areas. These LFAs were being used by politicians to defraud local landowners and profit themselves and the foreign owned logging industry.

But, under strong pressure from interested individuals (including the Somare family), the NEC was persuaded to allow four further new LFAs to be approved before the legislation was repealed. Among these four LFAs was the Lower Sepik timber area.

Barnett found that the company which had pushed for the declaration of the LFA and was ultimately successful in obtaining the timber rights was called the Sepik River Development Corporation Limited.

Justice Barnett further revealed that Sir Michael Somare was one of three Directors in this company and the **MAJORITY** shareholder.

Somare was summonsed by Barnett to give evidence under oath in his Judges' Chambers. Justice Barnett found that Somare had lied and there was '*no tangible evidence*' to support his claim that he intended the logging project to benefit the local people in his electorate. Somare was the majority shareholder in the company and would himself be the primary beneficiary.

Somare did admit to Barnett that he had used his position as a Minister to ensure that his company was awarded the logging rights. He had met both the Minister for Forests and the Secretary of Forests to lobby and ensure that his company was the one selected.

Logging rights were granted on October 1st 1988. This was against the advice of the Department of Forests which wanted further inquiries to be made about the legality of the project and the logging company that was to be engaged.

The Minister of Forests, in his evidence to the Inquiry, said that he had been "*under very real pressure from Mr Somare*".

Justice Barnett concluded that there was '*a real potential for conflict of interest*' and recommended Somare be referred to the Ombudsman Commission for abusing his position for personal gain.

The first illegal logging of the Lower Sepik

Instead of finding himself under investigation by the Ombudsman Commission, as the Barnett Inquiry had recommended, Michael Somare was left free to negotiate a logging deal with a company called Heybridge Limited.

This company was primarily Chinese owned through Singapore but listed as a 10% shareholder, Sir Michael's son Arthur!

Having persuaded the NEC not to repeal controversial legislation until he had personally profited, Michael Somare then abused his position to force the Minister to unlawfully issue logging rights over an area of forest that he did not solely own and against the advice of the Department of Forests. Somare then granted those illegal logging rights to a Chinese company part owned by his son.

In most societies all of this is called CORRUPTION.

The deal between the Sepik River Development Corporation and Heybridge was concluded in 1991 and in October that year Heybridge was granted a ten-year logging permit. This allowed logging across 40,000 hectares of forest with a gross timber volume of 640,000 cubic meters of timber. The permit allowed the felling and removal of 28,366 cubic meters of logs each year.



The logging suffered a number of delays and by November 1994, Heybridge was still waiting to secure an Environmental Plan approval. Logging seems to have finally started in 1996 and over the next two years Heybridge declared log exports of 25,000 cubic meters. In 1999 the permit was taken over by FuSen Industries. This company had declared log exports of 20,000 cubic metres by 2001.

The Timber Permit expired in 2001 and FuSen Industries soon disappeared from the scene, but not with their heavy machinery. All the trucks and bulldozers were impounded by the Somare family and used in another infamous corrupt deal - the construction of the Wewak storm water drainage project.

New illegal logging of the Lower Sepik

Since October 2001, when the LFA timber permit expired, no logging rights have existed for the Lower Sepik timber project.

But in August last year (2005) Brilliant Investments started log exports from the area - using the LFA number still held by Michael Somare through the Sepik River Development Corporation, LFA 1-11.

This timber operation, which is illegal for a whole host of reasons, has been personally organised by the Somare clan to provide election funds for 2007 and profit their clan.

The logging is illegal because there is no valid Timber Permit to authorise the logging operation. The harvesting is not being carried out sustainable as required under the Forestry Act and the National Forest Policy. Local people have not given their free and informed consent to the timber operations. The detailed procedures and requirements of the Forestry Act have not been followed.

Unfortunately, with the strong web of corruption that surrounds the logging industry in PNG and the traditional reluctance of the regulatory authorities to investigate and challenge the corrupt dealings of the Somare clan, we doubt that any effective action will be taken.

In the meantime, it is the ordinary people of PNG who will continue to suffer as our natural resources are sold off cheap to foreigners while our politicians and their families gather their private fortunes.