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PRESS STATEMENT FOR IMMEDIATE RELEASE

PROPOSED CASINO DEAL A SERIOUS CONCERN GIVEN TRACK RECORD OF NGCB

Thursday, 10th June 2021, Port Moresby – Transparency International PNG (TIPNG) remains concerned about the proposed building of a casino in Port Moresby and what appears to be a less than arms-length interest being shown by the regulator - the National Gaming Control Board (NGCB). Given the NGCB is the recipient of public taxes collected from gaming activity, it is only right the government and the NGCB disclose the terms of the MOU signed by The State and the developer.

The public statements made by the NGCB chairman at the signing of the MOU, appear to suggest a more active interest in this new casino, which in TIPNG's view could compromise the regulator's independence and may result in more favourable consideration being given to this project.

Transparency International PNG (TIPNG) Board Chair, Peter Aitsi in a statement highlighted; "If this were to happen it could weaken the governance and oversight of the gambling industry, and as such the general public is right to ask questions and demand full transparency in the conduct and decision making of the NGCB"

"Our concerns are further justified given the most recent Auditor General Report in 2020 states the NGCB has not submitted financial statements since 2017. Given the entity is receiving public funds, the public has a right to know how much money is being collected from the sector each year and where these monies are being spent. And indeed, if any public monies are intended to be invested in the proposed new casino," said Mr Aitsi.

The track record of the NGCB does not engender public confidence, as also evident in past Auditor General reports, such as for 2015 which stated that circa K50 million worth of donations and financial assistance paid from the Community Benefit Fund, were not supported with any form of acquittal or detailed reports.

Given the global risks associated with gambling industry and specifically casino's it is vitally important the activities of regulators are beyond reproach and they remain fully independent to ensure they can effectively regulate the conduct of individuals and companies operating in the industry. Countries have been placed on the global grey list by the Financial Action Task Force (FATF) in some instances, as a result of assessed weak regulatory oversight of operations of casinos. The global experience has shown where regulators are weak the presence of casinos can result in an increase of money laundering and criminal syndicate activities.

That is why TIPNG is calling on the public disclosure on the terms of the agreement between The State, the Paga Hill Development Company and an undisclosed number of other parties (which have so far only been identified as "project partners"). The NGCB's past track record of financial management, and the lack of public disclosure of the details in the MOU, should be a cause of concern to all citizens.

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What is TIPNG?

TIPNG is a member of Transparency International a global anti-corruption movement committed to fighting corruption. TIPNG is an independent organization in PNG known as a Chapter of the international movement. The PNG chapter advocates against corruption and promotes transparency, good governance, honesty and accountability both in private and public sector dealings. TIPNG tries to assist strengthen the integrity systems of our country such as the police, the parliament, the public services and the judiciary.