



Pacific Media Watch

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SOMARE ALLIES ADMIT TO TAIWAN SCAM

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By Rowan Callick, China correspondent

HONIARA (*The Australian/Pacific Media Watch*): Two close political allies of Papua New Guinea's veteran Prime Minister Michael Somare have admitted an involvement in a scam in which \$32 million in Taiwan government funds have gone missing.

Three Taiwan ministers, including a vice-premier and the foreign minister, resigned in disgrace over the scandal earlier this week, as their Democratic Progressive Party Government prepared to leave office on May 20.

But PNG Planning Minister Paul Tiensten and parliamentary public accounts committee chairman Timothy Bonga yesterday denied any wrongdoing.

Under a 2006 scheme set up by two Taiwanese middle-men, Ching Chi-ju and Wu Shih-tsai, the \$32 million was to have been deployed to secure a switch in PNG's diplomatic loyalty from China to Taiwan, which PNG has recognised since becoming a nation in 1975.

Wu has been detained in Taiwan but the money - originally placed in an account in Singapore, has disappeared - as had Ching, now a US citizen whose lawyer said he that would hold a press conference in Los Angeles next week.

In a letter detailed at a press conference by his lawyer, Wu claimed that \$21 million was sent to former vice-president Chiou I-jen and former defence minister Ko Cheng-heng, and a further \$10.5million was sent to foreign ministry official Chang Chiang-sheng, who vowed to pass it on to Foreign Minister James Huang.

Chiou, Ko and Huang have quit over the scandal, despite denying receiving corrupt money. Mr Chang denied being involved. In the letter, Wu said "only" \$212,000 was sent to unnamed representatives of PNG.

It was businessman Mr Ching who first became involved, via Mr Chiou. His associate Wu claimed the PNG connections.

PNG's *Post Courier* newspaper said yesterday Tiensten, who was trade and industry minister in 2006, had met the middlemen from Taiwan at a series of meetings in Port Moresby, while he was also acting foreign minister. Tiensten said a PNG lawyer, Florian Gubon, "was helping (the Taiwanese) mission" to Port Moresby - where the Taiwan Government has a trade office.

Dr Gubon accompanied Bonga, then chairman of the Port Moresby City-owned water company Eda Ranu, to Taipei, also in 2006. Bonga said he went there "to see how we could improve city sewerage, and about water bottling".

PNG's *National* newspaper yesterday ran a photo showing Bonga, Dr Gubon, Chiou and Wu at a meeting together in Taipei in 2006.

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