



MINISTRY OF PUBLIC ENTERPRISES

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Former Managing Director of IPBC Glenn Blake terminated

The Minister for Public Enterprises Rt Hon Sir Mekere Morauta announced today that NEC had terminated Mr Glenn Blake as Managing Director of the Independent Public Business Corporation (IPBC) for misconduct in office.

“Mr Blake was paying himself millions of kina a year illegally. His contract had not been approved by the Salaries and Conditions Monitoring Committee. This breach constitutes misconduct in office under the law.”

“Mr Blake also illegally invested K31 million in Lehman Brothers just before it became insolvent during the Global Financial Crisis. All the money has been lost. The investment was made without the prior approval of the IPBC Board. I find it difficult to believe however that the former Minister Arthur Somare was not aware of this illegal investment.”

“The Auditor General reported this illegal investment in the 2010 Audit Report but the former Minister chose not to table it in Parliament. The Auditor General also made the correct observation that the investment was made without any apparent assessment of risk.”

Sir Mekere said that it was frightening that so much public money had been in the hands of a minister and managing director who displayed so little regard for their responsibilities to the nation in handling public money.

Sir Mekere continued: “The operations of IPBC under Arthur Somare and Glenn Blake operated under a thick veil of secrecy. The amendments to the IPBC Act that Arthur championed stripped IPBC of transparency and accountability. It is my job to restore open honest governance to the operations of IPBC. This commitment has already been made to the people of Papua New Guinea by the Prime Minister and I am determined to play my part to achieve this goal.”

Sir Mekere said that legal advice has been sought to see whether any of the monies illegally paid to or invested by Mr Blake could be recovered.

Mekere Morauta KCMG MP *(Minister for Public Enterprises)*