

MVIL struggles to recover money lost in Woodlawn scam

April 16, 2012 [Leave a comment](#) [Go to comments](#)

By Todagia Kelola

THE new Board of the Motor Vehicle Insurance Limited (MVIL) has been able to recoup only K9 million out of the K100 million that was [fraudulently] invested in Australia.

Chairman of the Board Bonny Igime in a statement said out of the fraudulent K100 million investment that the MVIL made with Woodlawn Capital Ltd of Lismore, NSW Australia was executed on July 22, 2009, my Board has manage to recoup only K9,187, 260 back into PNG. The money is now with the Gadens Lawyers Trust Account in Port Moresby waiting to be remitted back into MVIL.

“When the Government of Prime Minister Peter O’Neill appointed me as Chairman of MVIL I assured the nation that I will vigorously pursue the K100 million being siphoned off into Australia and bring it back into PNG. The money rightly belongs to the 7 million people of this country, who own MVIL through the government, and the people have the right to know what has happened to their money.”

In late February this year Mr Igime took the Board and management to Australia and met with the executives of Woodlawn Capital Ltd in Brisbane.

“We asked Woodlawn executives where they kept the money and what is the current net asset value (NAV) of the investment. Woodlawn kept evading our questions and came up with an excuse that a substantial amount of MVIL investment was lost during the global financial crisis a few years ago. We didn’t buy into their argument. We suspected that something was seriously wrong with the investment and that we must independently investigate and find out soon. Coincidentally, at about the same time the former CEO of MVIL John Mua called me on numerous occasions and begged me not to bring the money back to PNG. He said the money was safe in Australia and that MVIL has a lot of liquid cash sitting in the banks in Port Moresby and does not need the K100 million. That’s when my sensitive nature tells me that something is seriously wrong with the investment and we must investigate.”

The Board engaged Gadens Lawyers in Sydney and Price Waterhouse Coopers (PWC) accounting firm to conduct a thorough investigation into all the accounts of Woodlawn Capital in Australia and ascertain the net asset value of the investment. With our instructions Gadens Lawyers successfully obtained an interlocutory order in the New South Wales Supreme Court thus freezing all the accounts of Woodlawn. The Supreme Court order effectively froze all the accounts of Woodlawn being kept by various financial institutions in Australia.

He said their forensic accountants conducted an audit into the frozen accounts and uncovered AUS\$24 million being kept in those accounts, which is equivalent to K50 million. The K50 million plus the K9 million already brought into the country amounted to K59 million. The question is, what happen to the balance of K41 million?

The investigations have uncovered a shocking truth that Woodlawn Capital at the time it received the money from MVIL was not licenced to conduct business as a financial investment company. Woodlawn did not hold a valid Financial Services License (FSL) under the Australian Securities and Investment Commission (ASIC).

This is indeed a serious crime under the Australian laws. ASIC is the Australian government watchdog that regulates, monitors and oversees all financial and investment activities in Australia. The K100 million investment was a fraudulent transaction between the executives of MVIL and Woodlawn with the intent to defraud MVIL because Woodlawn was not licensed to receive the money at the time.

The investigations have uncovered another shocking truth that some people were using the K100 million like a petty cash. Numerous unexplained withdrawals were made on the K100 million over the entire period of the investment from July 2009 to as recent as January 2012.

For instance, the following withdrawals were made on MVIL accounts in Australia in 2011 and early 2012.

BANK ACCOUNT NO.	DATE	CURRENCY	WITHDRAWAL AMOUNT
Westpac 467559	5/5/2011	AU\$	1,500,000
Westpac 467559	30/6/2011	AU\$	2,000,000
Westpac 467567	8/7/2011	AU\$	300,000
Westpac 467559	14/7/2011	AU\$	300,000
Westpac 467567	14/7/2011	AU\$	300,000
Westpac 467559	16/8/2011	AU\$	3,000,000
Suncorp 4157414	15/9/2011	PGK	24,872,335
Westpac 467559	21/9/2011	AU\$	1,000,000
Westpac 467559	27/9/2011	AU\$	1,197,540
Westpac 467559	14/11/2011	AU\$	227,000
Westpac 467559	13/1/2012	AU\$	440,142

According to correspondences between the executives of MVIL and Woodlawn we have uncovered that the former CEO of MVIL John Mua was the only authorized representative of MVIL who can authorize or instruct Woodlawn for any transactions to be conducted on the accounts in Australia. And therefore, I am calling on John Mua to come out and tell the Government and the people of PNG about the irregular and unexplained withdrawals made on the K100 million being kept by Woodlawn. Our lawyers and forensic accountants are following the money trail and we will get to the bottom of the missing K41 million and the nation will know about it.

Read more about the Woodlawn scam and the Somare family:

[The Somare family and the K96m Woodlawn scam](#)

[Arthur Somare under investigation for loss of K76m](#)