

Ombudsman Commission Of Papua New Guinea  
P.O. Box 1831 Port Moresby  
Deloitte Tower Douglas Street  
Port Moresby  
NCD  
PNG

My name is John Akar and I am a PNG national working for Parker Drilling Company in the oilfield of the Southern Highlands Province.

**PARKER DRILLING COMPANY**

Parker Drilling Company is an American company and their main business is to drill for oil and gas with establishments worldwide. The company first came to Papua New Guinea since oil started flowing from the Kutubu Project and has been there since. The company employs a total of between 250 nationals and 150 expatriates currently in the oil and gas fields in the Southern Highlands Province. The company has 4 oil drilling rigs in operation in the project.

**OIL SEARCH LIMITED**

Oil Search Limited is the owner and operator of the oilfield currently after taking over the interest from previous owner "Chevron Niugini" 3 years ago. The company is exporting oil and also intends to pipe wet gas to Australia. Oil search LTD retained the services of Parker Drilling company to continue the drilling programmes on behalf of Oil Search LTD after Chevron sold its rights to Oil Search LTD. Parker Drilling Company has therefore been in PNG conducting business since oil started flowing from the Kutubu project in 1992.

**ILLEGAL EMPLOYMENT OF EXPATRIATES BY PARKER DRILLING COMPANY**

Parker Drilling Company had been illegally employing expatriates in the oilfields in the Southern Highlands for many years until I reported the matter in March this year. These expatriates had entered the country on business visa (*work prohibited*) and were given employment by the company. These illegal conducts had gone unnoticed by all State agencies concerned for many years until I reported the matter in March 14<sup>th</sup> 2006 (*See attachment 1A*). The Company was charged with a fine of K345, 000.00 (*See attachment 1B*) for illegally employing expatriates on Business Visa in the oilfields.

Because of this illegal conduct by the company, PNG national employees suffered loss in terms of training and localization of jobs held by expatriates, pay rates were very low, CPI pay adjustments were never paid for the last 5 years or so and human rights abuse was prevalent on the Rig sites.

They operated an illegal recruitment scam in which I personally was involved in the process to ensure a safe passage for expatriates to enter PNG to get employment in the oilfield. Papua New Guineans were never allowed an opportunity to apply for jobs, instead the company recruited direct from overseas even for simplest of job like welder, truck driver, electricians, mechanics and more.

The work conditions were in favor of the expatriates. There is racial segregation where expatriates live and eat from a different facility.  
The company has also been avoiding taxes for a very long time in terms of work permit fees and other taxes due to the state.

**COMPANY'S ATTITUDE TOWARDS ME**

The company has also been abusing my constitutional rights to freedom of movement and employment because I had exposed the company and its illegal conduct. I was told on the 26<sup>th</sup> July 2006 to leave the company work for the Labour and Industrial relations department or Internal Revenue Commission.

I now have a very uncertain future. I also doubt if the state will assist me if I loss my job. The state was the only beneficiary in the whole issue at my lost.

**INDEPENDENT STATE OF PNG**

The state has an obligation to ensure the constitutional rights of its citizens are protected from any form of oppression or aggression and that the state has miserably failed its duty to its citizens. The question therefore is how come the department of foreign affairs and Labour and those other state agencies didn't notice those illegal activities were happening right under their nose?

I was also told by the company that officers in the Foreign Affairs department were aware of this illegal conduct but they allow it to happen.

I therefore would like to request Ombudsman Commission to immediately conduct an investigation to the conduct of the Department of Foreign Affairs and Labour departments why this illegal activity was allowed to happen.

Yours sincerely



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John Akar (Mr.)

Cc: Transparency International  
Cc: Public Accounts Committee  
cc: PNG MEDIA COONCIL