

COMMISSION FOR THE

PREVENTION

OF

CORRUPTION

ANNUAL REPORT

2011/2012

2011/2012

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Executive Summary

The Commission for the Prevention of Corruption was established under the Corruption (Prevention) Act 2000 and its first members appointed with effect from May 1, 2001.

During the year under review The Hon. Mr. Justice W. James and The Hon. Mr. Justice Chester Orr Chairman respectively tendered their resignations. The members of the Commission wish to express their appreciation to them for having served.

The Commission met nine (9) times during the 2011-2012 financial year.

The objective of the Commission is the reduction and prevention of corruption in the Public Sector.

Annually the Commission requires Public Sector Agencies to provide an update of Public Servants required to file Statutory Declaration of Assets, Liabilities and Income. The responses indicate that as of December 2011, twenty five thousand and forty (25,040) Declarations were to be received by the Commission.

As at March 31, 2011 the Commission had received fourteen thousand seven hundred and ninety seven (14, 797) Declarations for the period ending December 31, 2011, a compliance rate of fifty-nine percent (59%).

Arising from the failure of Public Servants to file declarations, the Commission is presently preparing a new list of delinquent individuals which will shortly be forwarded to the Director of Public Prosecutions and other named entities as indicated in the Act. Since the Commission's inception six hundred and nineteen (619) delinquent declarants have been prosecuted by the Director of Public Prosecutions. For the year to which this report relates, sixty four (64) public servants had their cases disposed of in the court with fines of nine hundred and twenty nine thousand dollars (\$929,000) being imposed on them. Of the total eleven (11) matters were not completed and eight (8) declarants were admonished and discharged by the Court.

The Commission had previously recommended that it be authorized to impose a penalty for the failure to file the Statutory Declaration of Assets, Liabilities and Income. To date this recommendation has not been adopted. That notwithstanding, the Commission continues to work with the office of The Director of Public Prosecutions (DPP) in an effort to have the delinquents brought before the Court.

The Commission enters all declarations received in its database, which is designed to facilitate the manipulation of the data furnished on the Statutory Declaration of Assets and Liabilities received from Public Servants.

A sample of forty six (46) cases was chosen for analysis based on the Commission's selection criteria. Of that number forty-three (43) cases were referred for detailed internal investigation.

The Commission had an inventory reflecting three hundred and twenty-two (322) cases for the reporting year ending March 31, 2011 which required interviews and statements being collected from several Public Sector agencies and individuals to verify the accuracy of Statutory Declarations furnished.

For the year under review the Commission has referred to the Director of Public Prosecutions three (3) cases involving allegations of serious breaches of The Corruption (Prevention) Act 2000, while two (2) cases have been closed by the Commission as adequate information and explanations were received for the discrepancies identified.

The office of the Director of Public Prosecutions (DPP) has concluded action in Court in respect of two (2) cases for the offence of Illicit Enrichment and other serious breaches of The Corruption (Prevention) Act 2000; resulting in fines totaling one million dollars (\$1,000,000) or six (6) months imprisonment and fifty thousand dollars (\$50,000) or three (3) months imprisonment respectively.

The Commission had proposed certain amendments to the Act in its Annual Reports for the years 2003-2007. The Commission has attended sittings of a Joint Select Committee of the Houses of Parliament and has defended its recommendations. The non-implementation of these proposed amendments continues to frustrate the Commission in the pursuit of achieving its mandate and it hopes that they will be considered for inclusion in the proposed Corruption (Special Prosecutor) Act.

The Commission in this report restates all its previous recommendations with some adjustments in relation to the following:

1. Definition of Spouse- consequent on the passage of the Family Property (Rights of Spouses) Act, 2003 and its definition of a spouse.
2. The Corruption (Prevention) Act be amended by the insertion of subsection (d) in Section 4 as follows:

'and thereafter on the 31st day of December in each year or at such intervals as the Commission may direct.'

This amendment will require that declarations are filed annually by Public Servants.

3. Function and Powers of the Commission- authorizing it to inspect and make copies of all records and documents of Government Departments and Agencies, including the Revenue Services
4. Specified Posts - several Public Sector Agencies have undergone reform since the inception of the Act necessitating revision of the holders of posts required to file Statutory Declarations.
5. Applicability of the Corruption (Prevention) Act to all members of The Judiciary.
6. Statutory Declarations-
 - (i) To give the Commission power to impose a penalty for late filing
 - (ii) Amend the form at Section 2 to remove the words “in excess of five hundred thousand dollars”.
 - (iii) The form of Statutory Declaration as set out in the Second Schedule of the Act be amended at section 1 to add the words “or any other document as indicated by the Commission”.
7. The Commission has previously recommended an increase of the income threshold for filing Declarations from Two Million Dollars (\$2,000,000) to Three Million Dollars (\$3,000,000); it is now proposing that the threshold be further revised to Three Million Five Hundred Thousand Dollars (\$3, 500,000)
8. The Commission is of the view that Public Sector Officers and employees should not engage in work which creates a conflict of interest with their official duties and sanctions should be provided for such activity.

Preface

The Commission for the Prevention of Corruption was established under the Corruption (Prevention) Act 2000 and its first members appointed with effect from May 1, 2001. The Corruption (Prevention) Regulations came into effect January 31, 2003.

The Commission consists of five (5) Members:

- (a) The Auditor General
- (b) Four (4) other persons (referred to as appointed members) appointed by the Governor General after consultation with the Prime Minister and the Leader of the Opposition from the following categories of persons:
 - (i) Members of the Privy Council
 - (ii) Retired Judges of Appeal and Retired Judges of the Supreme Court
 - (iii) Persons who, in the opinion of the Governor General, are of high integrity and are able to exercise competence, diligence and sound judgment in fulfilling their responsibilities under the Act.

The Members for the period under review were:

- The Honourable Mr. Justice Chester Orr (Retired) C.D., J.P. – Chairman
- The Honourable Mr. Adrian Strachan, O.J., C.D., J.P., F.C.C.A., F.C.A.,
- The Honourable Mr. Justice Ferdinand Smith (Retired) C.D.
- The Honourable Mr. Justice Wesley James (Retired)
- Mrs. Pamela Monroe-Ellis- Auditor General, F.C.C.A., F.C.A., C.I S.A.

Meetings of the Commission

The Commission met nine (9) times during the 2011/2012 financial year.

Names of Members	Meetings Attended	Absent
Mr. Justice Chester Orr	6	1
Mr. Justice Wesley James	6	1
Mr. Justice F.A. Smith	5	4
Mr. Adrian Strachan	9	-
Mrs. Pamela Monroe Ellis	8	1

The Chairman of the Commission for the Prevention of Corruption, The Hon. Mr. Justice Chester Orr (Retired) tendered his resignation to the Governor General which was accepted on January 19, 2012.

The Hon. Mr. Justice W. James tendered his resignation as a member of the Commission with effect from January 5, 2012.

The members wish to express their appreciation for their contribution to the work of the Commission.

The Proposed Repeal of the Corruption (Prevention) Act 2000

The Commission notes the legislative delay in the passage of the Corruption (Special Prosecutor) Act, and the proposed repeal of the Corruption (Prevention) Act 2000. It remains the hope of the Commission that its recommendations from previous Annual Reports will be considered for inclusion in the development of any legislation aimed at stemming corruption in Jamaica.

The Secretariat of the Commission

The Commission, for the period under review, had an approved staff complement of twenty-one (21) which includes the Secretary/Manager, two (2) Secretaries, four (4) Financial Analysts, four (4) Investigators, one (1) Manager, Finance and Administration, one (1) accounting clerk, one (1) Records Officer, five (5) Data Entry Officers, one (1) Office Attendant and one (1) Driver.

In accordance with the Cabinet Office directive the fees and salaries of members of the Commission and senior staff are as indicated in Appendix 1 and Appendix 2 respectively.

The Commission's office is as indicated below:

Commission for the Prevention of Corruption
45-47 Barbados Avenue,
Kingston 5

Telephone: 968-6227/960-0470

Fax: 960-5617

Email: corruptionprevention@yahoo.com

Statutory Declarations

The objective of the Commission is the reduction and prevention of corruption in the Public Sector.

The Corruption Prevention Act provides the following functions of the Commission:

1. To receive and keep on record Statutory Declarations furnished by Public Servants pursuant to the Act;
2. To examine such Statutory Declarations and to request from a Public Servant any information relevant to a Statutory Declaration made by him, which in its opinion would assist in its examination;
3. To make such independent enquiries and investigations relating to a Statutory Declaration as it thinks necessary;
4. To receive and investigate any complaint regarding an act of corruption;
5. To conduct an investigation into an act of corruption on its own initiative, if satisfied that there are reasonable grounds for such investigation.

Statutory Declarations are required from Public Servants whose total annual emoluments are two million dollars (\$2,000,000) and above and those categories indicated in Parts 1 and 2 of the Regulations issued under the Act.

Arising from the receipt of information from Government Ministries, Departments, Companies, Statutory Bodies, and Local Government Agencies, it was ascertained that Declarations were to be received as indicated in Table 1 below:

The Corruption (Prevention) Act, 2000 states that for a Statutory Declaration to be in compliance with the Act, it must be filed within (3) three months following the date to which it relates. Up to the date of this report, declarations were received as indicated in the following table (See Table 1):

Table 1 Outstanding Statutory Declarations

Declaration Period	Expected No. of Declarations	No. of Declarations Received	Outstanding Declarations	Outstanding Percentage
January 31, 2003	14,705	12,827	1,878	13%
December 31, 2003	14,705	11,027	3,678	25%
December 31, 2004	17,228	12,871	4,357	25%
December 31, 2005	14,104	9,115	4,989	35%
December 31, 2006	15,409	9,189	6,220	40%
December 31, 2007	20,684	12,796	7,888	38%
December 31, 2008	23,447	13,101	10,346	44%
December 31, 2009	23,447	13,298	10,149	43%
December 31, 2010	24,389	15,051	9,338	38%
December 31, 2011	25,040	14,797	10,243	41%
TOTAL	193,158	124,072	69,086	36%

As can be seen there remains a high incidence of outstanding declarations with that for the year under review being ten thousand two hundred and forty three (10,243) declarations which represent forty-one percent (41%), of all declarations.

These results were further disaggregated by Agencies as indicated in table 2 below:

Table 2 - Outstanding Declarations

Employers	Declarations to be Filed 2011	No. of Declarations Filed 2011	No. of Outstanding Declarations 2011	Declarations to be Filed to Date	No. of Declarations Filed to Date	No. of Outstanding Declarations to Date
Airports Authority of Jamaica	103	33	70	380	302	78
Bank of Jamaica	354	234	120	2018	1500	518
Bureau of Standards Jamaica	164	104	60	835	744	91
Financial Services Commission	158	75	83	618	378	240
Fiscal Services Limited	113	97	16	590	453	137
Heart Trust/NTA	301	154	147	1807	816	991
Jamaica Constabulary Force/Island Special Constabulary Force	10888	7686	3202	92741	68043	24698
Jamaica Defence Force	4052	2744	1308	29929	21168	8761
Ministry of Agriculture	118	71	47	709	450	259
Ministry of Education	2449	45	2404	7838	403	7435
Ministry of Finance And Planning	205	115	90	1262	1089	173
Ministry of Transport And Works	112	48	64	581	428	153
National Environment And Planning Agency	119	97	22	325	347	-22
National Housing Trust	365	216	149	1969	1416	553
National Land Agency	114	88	26	788	666	122
National Works Agency	241	95	146	1724	957	767
North-East Regional Health Authority	102	16	86	414	131	283
Passport, Immigration & Citizenship Agency	254	140	114	1709	763	946
Petrojam Limited	157	16	141	774	183	591
Registrar General's Department	246	49	197	1447	488	959
Southern Regional Health Authority	272	13	259	1256	111	1145
Tax Administration Jamaica	969	20	949	9155	3361	5794
The Port Authority of Jamaica	149	52	97	769	284	485
University of Technology	594	54	540	3061	458	2603
Western Regional Health Authority	440	116	324	1288	396	892
Other Agencies	2,001	2,419	(418)	29,171	18,737	10,434
Total	25,040	14,797	10,243	193,158	124,072	69,086

As can be seen from the table, Agencies indicated in Red have the highest rates of delinquent Declarants. The category 'Other Agencies' represents an amalgamation of several small reporting Agencies.

The Commission again wishes to highlight the tendency of many Public Servants to continually breach the Legislation. It is therefore urging that consideration be given to its recommendation made in its 2005 Report, that the Corruption (Prevention) Act, 2000 be amended to give powers to the Commission to impose a penalty for the late filing of Statutory Declarations.

The Commission has previously reported delinquencies to the Director of Public Prosecutions presently a new delinquency listing is being prepared which will shortly be forwarded to that office.

Since the Commission's inception the Director of Public Prosecutions has acted on six hundred and nineteen (619) delinquent declarants resulting in the imposition of fines totaling two million three hundred and thirty six thousand Dollars (\$2, 336,000). (See Table 3)

During the year under review, the Director of Public Prosecutions brought sixty – four (64)) cases before the Court resulting in fines totaling Nine Hundred and twenty-nine thousand dollars (\$929,000) being imposed on public servants for failure to submit the Statutory Declarations by the due date. Of that total brought before the Court by the Director of Public Prosecutions, eight (8) declarants were admonished and discharged by the Court, while matters were being pursued in relation to eleven declarants.

Table 3 - Delinquent Declarants Reported to DPP

Employer	Delinquent Declarants Reported to DPP 2011	Delinquent Declarants Taken before Court 2011	Fines Levied 2011	Delinquent Declarants Reported to DPP to Date	Delinquent Declarants Taken before Court to Date	Fines Levied to Date
Anti-Dumping and Subsidies Commission				1	1	\$ 20,000
Bureau of Standards Jamaica				8	3	\$ 1,000
Coconut Industry Board				3	3	
Fiscal Services Limited				4	1	
Jamaica Constabulary Force/Island Special Constabulary Force	64	64	\$ 929,000	297	131	\$ 1,309,000
Jamaica Customs Department				38	7	\$ 110,000
Jamaica Defence Force				61	2	
Management Institute for National Development				2	1	
Manchester Parish Council				5	4	\$ 74,000
Ministry of Foreign Affairs and Foreign Trade				28		
Ministry of Health				7	2	
National Health Fund				1	1	\$ 1,000
National Investment Bank of Jamaica				2	1	
National Land Agency				6	1	\$ 15,000
National Works Agency				5	1	
North-East Regional Health Authority				6	4	\$ 95,000
Port Authority of Jamaica				1	1	\$ 50,000
Portland Parish Council				5	4	\$ 190,000
St. Ann Parish Council				15	13	\$ 447,000
St. Elizabeth Parish Council				1	1	\$ 24,000
Tax Administration Jamaica				15	3	
Western Regional Health Authority				5	3	
Other Agencies				103	3	
Total	64	64	\$ 929,000.00	619	191	\$ 2,336,000.00

Chart 1: Fines Levied on Cases Taken Before the Court

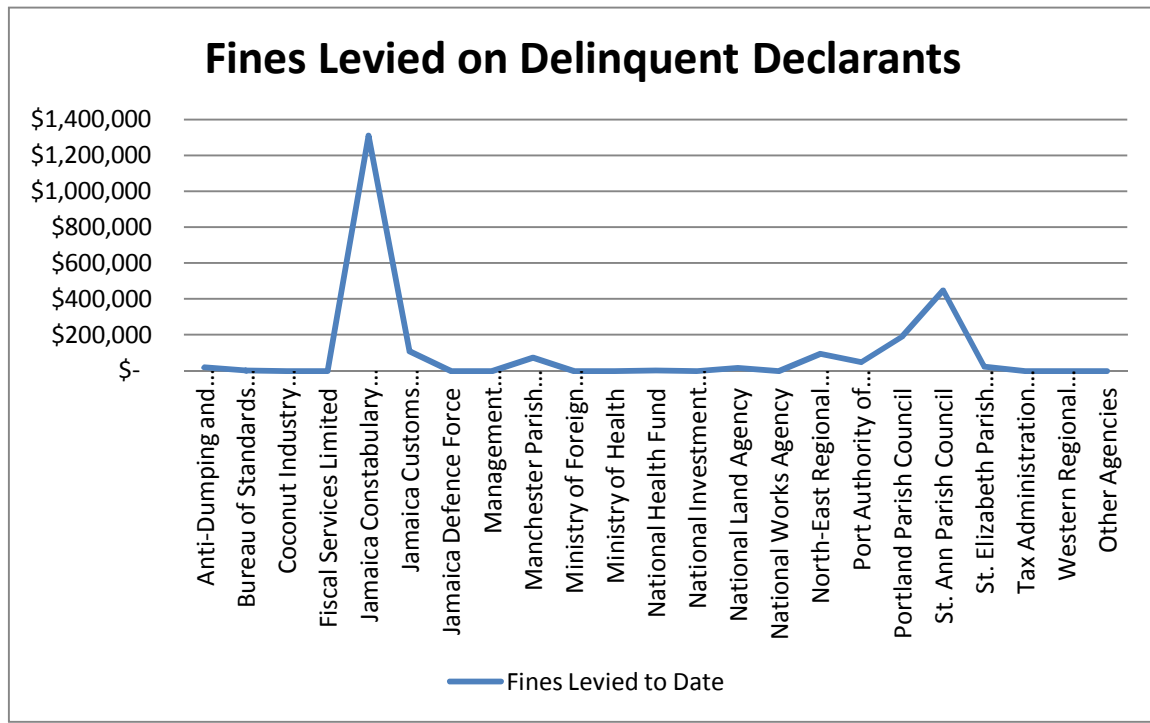


Chart 1

Gives a graphical representation of the cases referred to the Director of Public Prosecutions and the nature of the action undertaken.

Update of Database

The Commission annually makes a request of Public Sector Agencies for an update of persons required to file the Statutory Declaration of Assets, Liabilities and Income and has received responses from one hundred and thirty-three (133) Ministries and Agencies of the one hundred and eighty-two (182) entities written to in December 2011. The Commission is in contact with the agencies that have not responded to date with a view to receiving the necessary correspondence.

Analysis of Declarations Filed

The Commission maintains a database comprising all the information supplied by declarants on their Statutory Declarations.

The year under review saw a continuation of the analysis of declarations filed by declarants employed by agencies. Several agencies were included namely the Jamaica Constabulary Force, National Works Agency, Jamaica Customs to name a few (see Table 5).

During this reporting year a total of forty-six (46) cases were examined, this reflects a total of five hundred and ninety-four (594) cases examined to date. Forty-three (43) of these cases were referred for detailed internal investigation, two (2) cases were closed with no further action being recommended and one(1) case is still being assessed.

These figures indicate that ninety-four percent (94%) of the cases examined had material issues warranting further investigation. (See Tables 4-5 and Chart 2)

Table 4

Analysis of Declarations Filed

Total Cases Examined	46
Cases Forwarded for Investigations	43
Cases with no Further Action Taken	2
Cases in Progress	1

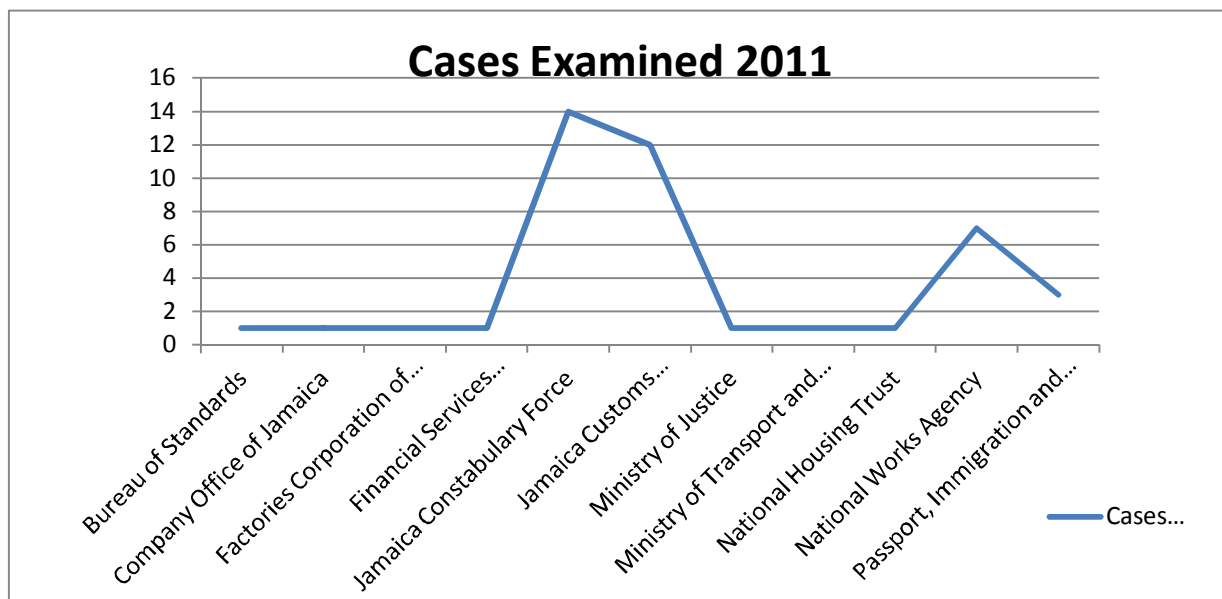
The main issues of concern noted were the following:

- Acquisition of assets with no evidence of financing
- Non-declaration of assets e.g. properties, motor vehicles
- Omission of the source of funds
- Insufficient information submitted on declarations [particularly in relation to receipt of gifts.
- Non-declaration of business interests/income

Table 5 Cases Analyzed

Employer	Cases Analyzed 2011	Cases Analyzed to Date
Airports Authority of Jamaica		2
Bank of Jamaica		3
Betting Gaming & Lotteries Commission		1
Bureau of Standards	1	1
Company Office of Jamaica	1	1
Correctional Services		3
Factories Corporation of Jamaica Limited	1	2
Financial Investigations Division		48
Financial Services Commission	1	7
Fiscal Services Limited		2
Housing Agency of Jamaica		2
Island Traffic Authority		14
Jamaica Constabulary Force	14	231
Jamaica Customs Department	12	85
Jamaica Deposit Insurance Corporation		1
Jamaica Mortgage Bank		2
Jamaica Civil Aviation Authority		1
Kingston & St. Andrew Corporation		2
Maritime Authority of Jamaica		2
Ministry of Education		1
Ministry of Finance		1
Ministry of Justice	1	2
Ministry of Transport and Works	1	12
National Health Fund		3
National Housing Trust	1	3
National Irrigation Commission		1
National Land Agency		2
National Road Operating & Constructing Company Limited		1
National Water Commission		1
National Works Agency	7	35
Office of The Prime Minister		3
Office of the Services Commission		1
Office of Utilities Regulation		14
Passport, Immigration and Citizenship Agency	3	42
Pesticides Control Authority		1
Port Authority		7
Registrar General's Department		4
Social Development Commission		2
Spectrum Management Authority		9
St. Ann Parish Council		1
Statistical Institute of Jamaica		1
Sugar Industry Research Institute		1
Tax Administration Jamaica		36
Total	43	594

Chart 2 - Cases Analyzed 2011



Investigation of Declarations

During the period under review the Commission had an inventory of three hundred and twenty-two (322) cases under investigation, an increase of thirty-one (31) from the previous year. Arising from investigations undertaken by the Commission thirteen (13) cases were closed as sufficient explanations were offered for the discrepancies indicated and no further action was warranted. (See Table 6).

Two (2) cases of suspected serious breaches of the Corruption (Prevention) Act 2000 involving allegations of illicit enrichment pursuant to Section 14 (5) of the Corruption (Prevention) Act 2000 and also the failure to supply information requested in relation to a Statutory Declaration (Section 14 (1) (b) and Section 15 (2) (c) of the Corruption (Prevention) Act 2000 refer) were referred to the Director of Public Prosecutions in this reporting year, making a total of twelve (12) such cases referred to that office since the inception of the Commission. (See Table 6).

One (1) matter is presently being pursued in the Court by the Office of the Director of Public Prosecutions (DPP) (Table 6 refers). Of the matters remaining two (2) were previously forwarded to the Jamaica Constabulary Force (JCF) for their action and eight (8) await the ruling of the Director of Public Prosecutions. As a result of the actions pursued by the Office of the Director of Public Prosecutions (DPP) during the year to which this report relates two matters which went to trial were successfully concluded.

One of the cases involved an allegation of illicit enrichment and the making of false statutory declarations which resulted in the Declarant being fined a total of one million dollars (\$1,000,000) or imprisonment for a period of six (6) months. (See appendix 3 Case Profile)

In the other matter the declarant was fined the sum of fifty thousand dollars (\$50,000.00) or three (3) months for failure to file a statutory declaration.

Quite a few of the cases investigated to date, as indicated in previous reports have revealed instances in which public servants were in receipt of gifts and income from various sources for which adequate documentary evidence was not presented to allow for verification.

The Commission wishes to record its appreciation to all the Agencies that it has had to interact with in an effort to obtain much needed information.

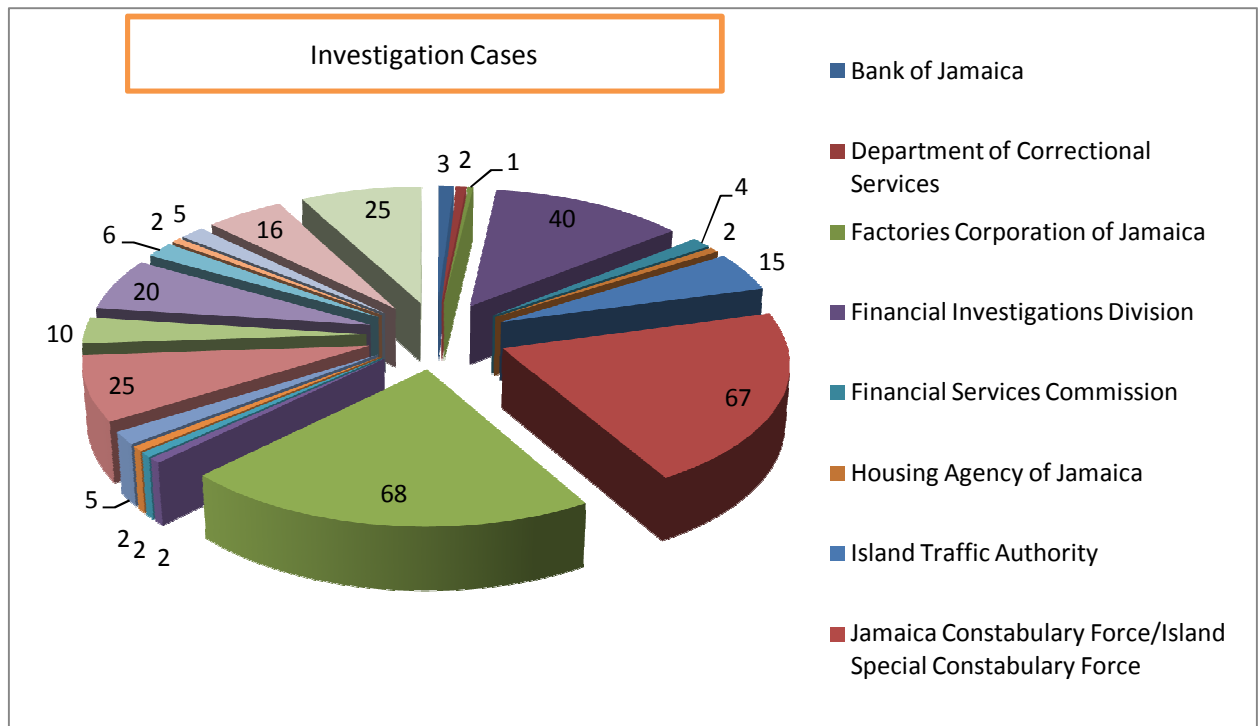
Special mention is being made of the National Lands Agency and the Companies Office of Jamaica which have allowed access to their databases and relevant information so as to bring cases to a satisfactory conclusion. **However, despite its best efforts it has not to date received from the Ministry of Finance a favourable response to its repeated request to have online access to relevant computerized Inland Revenue records**, the request for which was made in the Commission's 2003 Report and followed up by numerous correspondence to Government Technocrats and the former Minister of Finance to whom the Commission appealed.

Table 6 – Cases Investigated

Employer	Investigation Cases 2011	Cases Closed No further Action 2011	Cases Referred to DPP 2011	Cases Referred to Other Authority, Boards, Commissions 2011	Investigation Cases to Date	Cases Closed No further Action to Date	Cases Referred to DPP to Date	Cases Referred to Other Authority, Boards, Commissions to Date
Bank of Jamaica					3			
Department of Correctional Services					2			
Factories Corporation of Jamaica	1	1			1	1		
Financial Investigations Division	3	3			40	16		
Financial Services Commission	1				4			
Housing Agency of Jamaica					2			
Island Traffic Authority	1				15	8	2	
Jamaica Constabulary Force/Island Special Constabulary Force	17	8	2		67	17	3	1
Jamaica Customs Department	11	1			68	20	5	1
Kingston & St. Andrew Corporation					2			
Maritime Authority of Jamaica					2			
Ministry of National Security					2			
Ministry of Transport and Works					5	1		
National Works Agency	7				25	1	2	1
Office of Utilities Regulation					10			
Passport, Immigration and Citizenship Agency	1				20			
Port Authority of Jamaica					6	1		
Social Development Commission					2			
Spectrum Management Authority					5			
Tax Administration Jamaica					16			
Other Agencies	4				25			
Total	46	13	2	0	322	65	12	3

The chart below represents the investigation cases to date.

Chart 3



Legislative Issues

The Commission has proposed amendments to the Act in its Reports for the years 2003, 2004, 2005, 2006, and 2007. The Commission has attended sittings of a Joint Select Committee of the Houses of Parliament and has defended its recommendations. The non-implementation of these proposed amendments continues to hamper the Commission in its pursuit of achieving its mandate.

The Commission restates below all its previous recommendations and makes two (2) additional ones as reflected at notes h and k:

- (a) Definition of Spouse: - **That the Corruption (Prevention) Act 2000 be amended and the definition of Spouse as contained in the Family Property (Rights of Spouses) Act, 2003 be adopted for the purposes of the Act.**

The Act when it was passed defined “Spouse” to mean husband or wife under the Marriage Act. As a consequence assets may be placed in the name of an unmarried spouse to avoid disclosure thus defeating the purpose of the Act.

- (b) Late Filing of Statutory Declarations - **That the Corruption Prevention Act be amended to give power to the Commission to impose a penalty for the late filing of the Statutory Declaration.**

Section 5 (7) of The Corruption (Prevention) Act, 2000 sets out the time frame in which statutory declarations are to be filed.

Section 15 (2) of The Act details sanctions for those declarants, who fail without reasonable cause to furnish a statutory declaration. The required amendment will serve as a deterrent to those declarants who are persistently late in the filing of their declarations. The Commission notes that such a provision for a penalty exists in other jurisdictions.

- (c) Issue arising from Amendment to the Corruption(Prevention) Act- **That Section 4 of The Corruption (Prevention) Act be amended by the insertion of subsection (d) as follows:
and thereafter on the 31st day of December in each year or at such intervals as the Commission may direct.**

Section 4(5) of the Corruption (Prevention) Act prescribes the times at which statutory declarations should be furnished to the Commission. A similar provision in the original Act was deleted by the Corruption (Prevention) Act, 2002 but this provision was inserted with amendments in the regulations. [See The Corruption (Prevention) Regulations section 3 (3)]

The Commission is of the view that this Regulation is Ultra Vires the Act. The Commission has had to issue notice in the Gazette requiring Statutory Declarations as at December 31, 2003.

- (d) Function and Powers of The Commission- **A provision be inserted in The Act to authorize the Commission and its agents to inspect and make copies of all records and documents of Government Departments and Agencies including the Revenue Services.**

Section 5(2) of the Act gives the Commission power to summon witnesses, require the production of documents and to do all such things as it considers necessary or expedient for the purpose of carrying out its functions. The Commission is however aware that some available information is bound by confidentiality requirements.

This provision is necessary to assist in the investigation of corruption in circumstances where the relevant information is not contained in public records.

- (e) Specified Posts - The Commission after reviewing the Organizational Structures of the Agencies and Departments that are required to file the Statutory Declaration of Assets, Liabilities and Income has observed that some of these Agencies/Departments have undergone extensive restructuring including abolition of posts, mergers and establishment of others. In view of these developments the following amendments to Parts 1 and 2 of the Regulations to the Act are now necessary.

Since this recommendation was made the Commission notes that there has been further restructuring of the Tax Authorities culminating in the creation of Tax Administration Jamaica. The Commission will shortly have to revisit this recommendation and determine the applicable positions who shall be required to file Statutory Declarations.

(1) **The Customs Department**

Repeal the existing and replace with the following:

- ❑ All Holders of the series TA 1-9
- ❑ Accounting Officers AC 1-2
- ❑ AT 1-3
- ❑ PA 1-4
- ❑ Directors/Managers SEG 2-3
- ❑ Boatmen and Warehousemen LMOTS 1-3
- ❑ Records/Clerical Officers RIM 1-3

- Secretaries (Operations) SS 2-4

(2) **The Inland Revenue Department.**

Repeal the existing and replace with the following:

- Cashiers
- Compliance Officers
- Collector of Taxes
- Assistant Commissioner-Compliance
- Collections Officer
- Manager Stores
- Manager Payment Processing
- Manager Compliance
- Manager Office Services
- Director Maintenance & Facilities

(3) **The Ministry of Transport and Works**

Several of its functions now fall under the auspices of the National Works Agency and many posts have been reclassified and now fall under the National Works Agency.

(3a) **Amend by removing the following posts.**

Ministry of Transport and Works

- Assistant Superintendent
- Works Overseer 2
- Chief Project Officer
- Senior Superintendent
- Superintendent
- Works Overseer 3
- Quantity Surveyor Technician

(3b) **Amend to include:**

National Works Agency

- ☐ Regional Manager
- ☐ Project Manager
- ☐ Parish Manager
- ☐ Asst Parish Manager
- ☐ Flood Control Officer
- ☐ Flood Control Supervisor
- ☐ Construction Manager
- ☐ Building Officer
- ☐ Resident Engineer
- ☐ Site Supervisor
- ☐ Quantity Surveyor Technician
- ☐ Clerks of Works
- ☐ Site Control Officer
- ☐ Project Officer

(4a) **Amend the posts to include from.**

Revenue Protection Department

- ☐ Senior Investigator
- ☐ Investigator
- ☐ Intelligence Officer
- ☐ Tax Auditor 3

Further amend Financial Investigative Division to include:

(4b) Financial Investigative Division

- All members of the Financial Crimes Unit

- (f) Applicability of the Corruption (Prevention) Act to all members of the Judiciary.

The Solicitor General has advised that the Chief Justice, The President of the Court of Appeal and Resident Magistrates fall within the provisions of the Corruption Prevention Act but other Judges do not. The distinction lies in the fact that the Chief Justice, The President of the Court of Appeal and Resident Magistrates perform administrative functions and the other Judges do not. This is an anomalous situation.

The Commission recommends that the Act be amended either:

- a) to specifically include all judges as public servants; or**
- b) to specifically exclude all judges as public servants.**

- (g) Specified Posts - **That Part 1 of the Schedule to the Regulations of the Corruption Prevention Act be amended by adding the words “except members of the Jamaica Defence Force Reserves” after the words “All members of the Jamaica Defence Force”.**

The Commission has been advised that members of the Jamaica Defence Force Reserves do not receive payment for their services and are unlikely to be the subject of graft. It is therefore recommended that these persons should not be required to furnish statutory declarations.

- (g) Statutory Declarations –**The form of Statutory Declaration of Assets, Liabilities and Income as set out in the Second Schedule of the Act be amended at Section 2 to remove the words “in excess of five hundred thousand dollars”.**

The form currently requires the declaration of cash in excess of five hundred thousand dollars held other than in a bank. The Commission remains concerned that the declarants may seek to exploit this provision by maintaining multiple accounts with balances of less than five hundred thousand dollars in financial institutions other than banks.

- (h) Late Filing of Statutory declarations - **That the Corruption Prevention Act be amended to give power to the Commission to impose a penalty for the late filing of the Statutory Declaration.**

The Commission initially made this recommendation in its 2003 report and wishes to further highlight:-

- i. The Commission is likely to be chaired by a retired Judge who has vast experience in the principles and practices of sentencing offenders.
 - ii. Granting Jurisdiction to the Commission to deal with this offence reduces the workload on the DPP and on the Resident Magistrate both of whom are already overburdened.
There is ample precedent for such authority to the Commission to hear and determine issues and impose penalties, vide:-
 - (a) The Racing Commission Act
 - (b) Betting Gaming and Lotteries Act.
 - iii. To amend the Corruption Prevention Act to allow The Public Service Commission to take appropriate disciplinary action against delinquent public servants, without first having to await any action that may be taken Director of Public Prosecutions.
- (j) Statutory Declarations – The form of Statutory Declaration of Assets, Liabilities and Income as set out in the Second Schedule of the Act be amended at section 1 to add the words “*or any other document as indicated by the Commission*”.

The Statutory Declaration currently requires the declarants to furnish Bank Statements and/or letters from the bank confirming balances. The Commission is cognizant of the significant cost to declarants in complying with the legislation and that other methods of confirming balances now exist e.g. Automated Transaction Machine (ATM) slips and Electronic Banking Statements (e-banking). This provision will allow the Commission to examine and approve whatever option is available to the declarant in complying with the requirements of the Act and will reduce the cost to the declarants.

- (k) Section 3 of the Regulations to the Corruption (Prevention) Act states “the Statutory Declaration required by Section 4(1) of the Act shall not be furnished by a Public Servant who is in receipt of total emoluments of less than Two Million Dollars per annum.”

Since the passage of this Legislation, Public Sector Salaries have been reviewed.

The Commission is proposing that the threshold now be increased to three million five thousand dollars (\$3,500,000).

(l) Investigations by the Commission have revealed instances of declarants having engaged in work which caused a conflict of interest with their official duties. It is recommended that legislation be enacted to prohibit and provide sanctions for such activity.

Signed:

A handwritten signature in blue ink, appearing to read 'F. Smith', written over a horizontal line.

**The Honourable Mr. Justice Ferdinand Smith (Retired) C.D.
Chairman – Commission for the Prevention of Corruption**

Independent auditors' report

**To the Members of
The Commission for the Prevention of Corruption**

Report on the Financial Statements

We have audited the accompanying financial statements of the Commission for the Prevention of Corruption, which comprise the statement of financial position as at March 31, 2012, the statement of comprehensive income, and statement of changes in equity for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

...../cont'd

Independent auditors' report (cont'd)

Barrett & Company
Chartered Accountants

15 Carlton Crescent
Kingston 10, Jamaica W.I.
Tel: (876) 929-6878;
929-7662; 960-8602
Fax: (876) 929-0573

**To the Members of
The Commission for the Prevention of Corruption**

Auditors' Responsibility (cont'd)

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Commission as at March 31, 2012, and of the Commission's financial performance, changes in reserves and cash flows for the year then ended in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities and the Corruption (Prevention) Act 2000 in the manner so required.



Kingston, Jamaica

Chartered Accountants

October 17, 2012

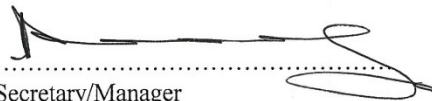
COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF FINANCIAL POSTION
MARCH 31, 2012

PAGE 3

	NOTE	2012	2,011
ASSETS		\$	\$
Furniture and equipment	5	1,929,792	1,759,861
Long-term receivables	14	1,187,893	1,602,961
Total Non-current Assets		3,117,685	3,362,822
Cash and cash equivalents	3	6,484,645	6,822,565
Receivables - current portion	14	980,437	412,268
Taxation recoverable	15	127,178	115,350
Total Current Assets		7,592,260	7,350,183
Total Assets		<u>10,709,945</u>	<u>10,713,005</u>
LIABILITIES			
Payables	4	<u>6,960,921</u>	<u>5,619,731</u>
Total Current Liabilities		<u>6,960,921</u>	<u>5,619,731</u>
RESERVES			
Accumulated fund		<u>3,749,024</u>	<u>5,093,274</u>
Total Reserves		<u>3,749,024</u>	<u>5,093,274</u>
Total Liabilities and Reserves		<u>10,709,945</u>	<u>10,713,005</u>

Approved by the Commissioners on October 17,2012 and signed on their behalf by:


.....
Chairman


.....
Secretary/Manager

COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF CHANGES IN RESERVES
YEAR ENDED MARCH 31, 2012

PAGE 4

	Accumulated Fund
	\$
Balance as at March 31, 2010	(1,298,481)
Surplus for the year	<u>6,391,755</u>
Balance as at March 31, 2011	5,093,274
Deficit for the year	<u>(1,344,250)</u>
Balance as at March 31, 2012	<u><u>3,749,024</u></u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED MARCH 31, 2012

PAGE 5

	NOTE	2012 \$	2011 \$
Income	(2c &6)	<u>56,485,197</u>	<u>59,647,601</u>
Administrative expenses	9	(57,174,020)	(52,578,548)
Other expense	10	(655,427)	(677,298)
(Deficit) /Surplus for the year		<u><u>(1,344,250)</u></u>	<u><u>6,391,755</u></u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2012

PAGE 6

**SOURCES (USES) OF CASH
OPERATING ACTIVITIES**

2012

2011

\$

\$

(Deficit) /Surplus for the year
Items not affecting cash
Depreciation

(1,344,250)

6,391,755

655,427

677,298

(688,823)

7,069,053

Changes in non-cash working
capital components

Payables

1,341,190

(9,435,729)

Taxation recoverable

(11,828)

(24,749)

Long-term receivables

415,068

(371,682)

Current portion of long term receivables

(568,169)

(130,968)

1,176,261

(9,963,128)

Cash provided/(used in) by operating activities

487,438

(2,894,075)

INVESTING ACTIVITIES

Additions to fixed assets

(825,358)

(921,442)

(Decrease)/Increase in net cash and cash equivalent

(337,920)

(3,815,517)

Net cash and cash equivalent at
the beginning of the year

6,822,565

10,638,082

Net cash and cash equivalent at
the end of the year

6,484,645

6,822,565

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2012

PAGE 7

1. **Identification and Activities**

The Commission for the Prevention of Corruption is a body established under The Corruption (Prevention) Act 2000. The Commission is domiciled in Jamaica with offices located at 45 - 47 Barbados Avenue Kingston 5.

The functions of the Commission are as follows:

- (i) to receive and keep on record statutory declarations furnished by public servants pursuant to the Act.
- (ii) to examine such statutory declarations and to request from a public servant any information relevant to a statutory declaration made by him, which in its opinion would assist it in its examination;
- (iii) to make such independent enquiries and investigations relating to a statutory declaration as it thinks necessary.
- (iv) to receive and investigate any complaint regarding an act of corruption.
- (v) to conduct an investigation into an act of corruption on its own initiative, if it is satisfied that there are reasonable grounds for such investigation.

These financial statements are stated in Jamaican dollars.

2. **Significant Accounting Policies**

(a) **Basis of Preparation**

These financial statements have been prepared in accordance with International Financial Reporting Standards for Small and Medium-Sized Entities (IFRS for SMEs) and have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets.

The standard is applicable to Small and Medium-Sized Entities (SMEs) that:

- (i) Do not have public accountability.
- (ii) Do not publish general purpose financial statements for external users.

An entity has public accountability if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments for trading in a public market. An entity also has public accountability if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses.

2. Significant Accounting Policies Cont'd

The objective of a set of accounts prepared under the standard is to provide information on the financial position, performance, and cash flows of the entity.

The standard does not prescribe the sequence or format in which items are to be presented in the statement of financial position.

The preparation of financial statements in conformity with IFRS for SMEs requires management to make assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year of the revision and future years, where applicable.

(b) Furniture and Equipment

(i) Items of furniture and equipment are stated at cost less accumulated depreciation.

(ii) Depreciation is charged on assets from the date of acquisition.

Depreciation is provided on the straight line basis at such rates as will write off the cost of the assets over the period of their expected useful lives. The rates are as follows:

Furniture, fixtures, equipment, computer	10-25%
Motor vehicles	20%

(c) Revenue Recognition

Revenue comprises recurrent subvention received from the government of Jamaica and interest income. Government subvention is recognized when received and interest income is recognized when earned in accordance with the relevant agreements in place.

(d) Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand, deposits held on call with banks and other short-term highly liquid investments with original maturity dates of three (3) months or less.

2. Significant Accounting Policies (Cont'd)

- (e) Payables
Payables are classified as financial liabilities measured at amortized cost. Initially they were recognized at the original invoiced amount (which represents fair value) and subsequently measured at amortized cost.
- (f) Financial Instruments
A financial instrument is any contract that gives rise to both a financial asset of one enterprise and a financial liability or equity instrument of another enterprise. Financial instruments are recognised in the Commission's statement of financial position when it has become a party to the contractual provisions of the instruments.

The financial instruments carried in the statement of financial position are cash and cash equivalents and payables. The particular recognition methods adopted are disclosed in the respective accounting policies associated with each item.
- (g) Reserves
Accumulated fund includes all current and prior period results as disclosed in the statement of comprehensive income.
- (h) Expenses
Expenses are accounted for on the accruals basis.
- (i) Foreign Currencies
Transactions in foreign currencies are converted at the rates of exchange ruling at the date of those transactions. Foreign currency balances are translated at the applicable rates of exchange ruling at the financial position date. Exchange difference as a result of fluctuations in exchange rates are reflected in the statement of comprehensive income

2. **Significant Accounting Policies (Cont'd)**

- (j) **Impairment of Non-Current Assets**
Equipment and other non-current assets are reviewed for impairment whenever events or changes indicate that the carrying amount may not be recoverable. An impairment loss is recognised if the carrying amount of the asset exceeds its recoverable value.

- (k) **Comparative Information**
Where necessary, comparative figures have been reclassified to conform with changes in presentation in the current year.

- (l) **Pension and Gratuities**
The Commission contributes 25% of the pensionable salary of eight employees to the Accountant General. This contribution is made in order to preserve their pension right within the government service.

Some employees are paid a gratuity on satisfaction of certain stated conditions.

- (m) **Employee Benefits**
Employee benefits include current or short-term benefits such as salaries, travelling, gratuity, NIS contributions paid, annual leave, and non-monetary benefits such as medical care, post employment benefits such as pensions.

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 11

3. **Cash and Cash Equivalents**

	2012	2011
	\$	\$
Cash	15,000	15,000
Bank current account	4,268,178	5,053,850
Bank savings account	2,201,467	1,753,715
	<u>6,484,645</u>	<u>6,822,565</u>

The cash in the savings account is earmarked for funding revolving car loans.

4. **Payables and Accruals**

	2012	2011
	\$	\$
Audit fee accrued	300,000	250,000
Consultancy and professional fees	115,000	115,000
Vacation leave	5,569,682	4,406,982
Travelling allowance	802,239	835,124
Printing	-	12,625
Salaries	500	-
Telephone	39,580	-
Advertising	96,420	-
Commissioners fee	37,500	-
	<u>6,960,921</u>	<u>5,619,731</u>

5. Furniture & Equipment Comprise:

	Furniture fixtures \$	Office equipment \$	Computer \$	Motor vehicles \$	Totals \$
Carrying amount at March 31, 2010	895,980	314,826	304,911	-	1,515,717
Additions	147,165	463,225	311,052	-	921,442
Depreciation for the Year	(207,880)	(169,386)	(300,032)	-	(677,298)
Carrying amount at March 31, 2011	835,265	608,665	315,931	-	1,759,861
Additions	114,580	444,863	265,915	-	825,358
Depreciation for the Year	(219,339)	(213,872)	(222,216)	-	(655,427)
Carrying amount at March 31, 2011	730,506	839,656	359,630	-	1,929,792

	Furniture fixtures \$	Office equipment \$	Computer \$	Motor vehicles \$	Totals \$
Gross carrying amount	1,931,638	1,230,630	2,938,313	992,611	7,093,192
Accumulated depreciation	(1,035,658)	(915,804)	(2,633,402)	(992,611)	(5,577,475)
Carrying amount at March 31, 2010	895,980	314,826	304,911	-	1,515,717
Gross carrying amount	2,078,803	1,693,855	3,249,365	992,611	8,014,634
Accumulated depreciation	(1,243,538)	(1,085,190)	(2,933,434)	(992,611)	(6,254,773)
Carrying amount at March 31, 2011	835,265	608,665	315,931	-	1,759,861
Gross carrying amount	2,193,383	2,138,718	3,515,280	992,611	8,839,992
Accumulated depreciation	(1,462,877)	(1,299,062)	(3,155,650)	(992,611)	(6,910,200)
Carrying amount at March 31, 2012	730,506	839,656	359,630	-	1,929,792

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 13

6. **Income**

	NOTE	2012 \$	2011 \$
GOJ subvention received		56,437,886	59,382,000
Miscellaneous income	18	-	159,806
Interest income		47,311	105,795
		<u>56,485,197</u>	<u>59,647,601</u>

7. **(Deficit)/ surplus for the year**

(Deficit)/ surplus for the year is stated after charging /(crediting):

	2012. \$	2011 \$
Executive compensation	10,036,563	9,478,477
Auditors' remuneration	300,000	250,000
Interest income	(47,311)	(105,795)
Commissioners fee	2,064,194	2,000,000
Depreciation	655,427	677,298

8. **Taxation**

The Commission is exempt from Income Tax. Under the General Consumption Tax Act, it is entitled to acquire goods and services at a zero rate of tax.

9 **Expenses by Nature**

Total administrative and other operating expenses

	2012 \$	2011 \$
Employee benefits (note 11)	42,204,377	38,613,914
Office and parking lot rental	7,693,103	7,247,432
Utilities (note 17)	3,024,704	2,595,930
Auditors remuneration	300,000	250,000
Commissioners fee	2,064,194	2,000,000
Purchase of other goods and service (note 16)	1,887,642	1,871,272
	<u>57,174,020</u>	<u>52,578,548</u>

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

PAGE 14

10. Other Expense

	2012	2011
	\$	\$
Depreciation	<u>655,427</u>	<u>677,298</u>

11. Employee Benefits

	2012	2011
	\$	\$
Salaries	29,377,371	26,837,810
Contributions to NIS, NHT & Ed. Tax	2,056,273	1,957,485
Travelling allowance	4,514,145	4,905,728
Pension and gratuity	6,245,688	4,447,104
Training & tuition fee refunds	<u>10,900</u>	<u>465,787</u>
	<u>42,204,377</u>	<u>38,613,914</u>

Included in employee benefits is the compensation of senior executives made up as follows:

Compensation

	2012	2011
	\$	\$
Salary	8,027,433	7,493,727
Travelling allowance	1,636,500	1,636,500
Personal pensionable allowance	172,947	161,631
Seniority allowance	<u>199,683</u>	<u>186,619</u>
	<u>10,036,563</u>	<u>9,478,477</u>

12. **Financial Risk Management Policies**

The Commission is exposed to a variety of financial risks in respect of its financial instruments: interest rate risk, credit risk, liquidity risk and cash flow interest rate risk. The Commission seeks to manage these risks by close monitoring of each class of its financial instruments as follows:

(a) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the value of the financial instrument will fluctuate due to changes in market interest rates. The Commission's cash and cash equivalents are subject to interest rate risk. However, the Commission attempts to manage this risk by monitoring its interest-bearing instruments closely and procuring the most advantageous rates under contracts with interest rates that are fixed for the life of the contract where possible. The Commission faces interest rate risk in respect of the savings account as interest rate is not fixed but is subject to fluctuation based on prevailing market rate. Its current account balance does not bear interest, as it does not have overdraft facilities.

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Commission faces no currency risk as none of its financial instruments in transactions are denominated in a foreign currency.

(iii) Other price risk

Other price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to individual instrument or its issuer or factors affecting all instruments traded in the market.

The Commission's financial instruments are substantially independent of changes in the market prices as they are short-term in nature.

12. **Financial Risk Management Policies (Cont'd)**

(b) Credit risk

Credit risk is the risk that one party to a financial contract will fail to discharge its obligations and cause the other party to incur a financial loss. The Commission faces credit risk in respect of its bank balances, which are held with licensed financial institutions considered to be stable.

The Commission manages its credit risk by a policy which requires that investments be made principally in liquid securities and only with counter parties that management believes does not offer any significant credit risk. Management does not expect any counter parties to fail to meet its obligations and considers the credit quality of its bank balances to be good. The maximum credit risk faced by the Commission is the total of bank balances reflected in these financial statements.

(c) Liquidity risk

Liquidity risk is the risk that the Commission will encounter difficulty in raising funds to meet its commitments associated with financial instruments. The Commission manages its liquidity risk by maintaining an appropriate level of resources in liquid or near liquid form.

Current assets exceeded current liabilities by \$65,970 (2011 - \$1,755,509).

13. **Capital Management**

The Commission obtains budgetary support from the Government of Jamaica to carry out its mandate. If there is a surplus on its operations, then it will strengthen its future continuity. However, the Commission expects that it will continue to receive government subvention to support its operations.

The Commission is not subject to any externally imposed capital requirements.

14. **Long-Term Receivable**

	2012	2011
	\$	\$
Motor vehicle revolving loan	1,577,907	1,990,175
Prepayment and receivables	590,423	25,054
	<u>2,168,330</u>	<u>2,015,229</u>
Less repayable within 12 months	<u>980,437</u>	<u>412,268</u>
Long-term portion	<u>1,187,893</u>	<u>1,602,961</u>

Prepayment and receivables of \$590,423 include prepaid rental of \$565,369

In May 2007 the Commission established a motor vehicle revolving loan scheme to assist travelling officers to purchase reliable motor vehicles to be used in the performance of their official duties.

Guidelines for administering the loan include in part:

- (a) Renewed loans for new vehicles should not exceed \$1,100,000 (2010- \$800,000) and loans for used vehicles should not exceed \$800,000 (2010-\$500,000).
- (b) The loan should be interest-free
- (c) Loans should be repaid over a seven (7) year period for new vehicles and six (6) years for used vehicles
- (d) No employee should be given a loan to purchase a motor vehicle under five years, that is, only one (1) loan in a five (5) year period.
- (e) The motor vehicle purchased should not exceed five (5) years.
- (f) All loans should be recovered by salary deduction.

15. **Taxation Recoverable**

This represents income tax deducted from interest income.

COMMISSION FOR THE PREVENTION OF CORRUPTION
NOTES TO THE FINANCIAL STATEMENTS

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16. **Other Goods and Services**

	2012	2011
	\$	\$
Repairs & maintenance	82,280	8,830
Motor vehicle expenses	312,024	236,693
Bank charges	5,416	11,345
Advertising	96,420	132,180
Printing, stationery & photocopying	466,634	833,420
Office & sundry supplies	924,868	648,804
	<u>1,887,642</u>	<u>1,871,272</u>

17. **Utilities**

	2012	2011
	\$	\$
Electricity	2,788,732	2,344,083
Telephone & internet services	235,972	251,847
	<u>3,024,704</u>	<u>2,595,930</u>

18. **Miscellaneous Income**

	2012	2011
	\$	\$
Power surge damage claims	-	87,000
Motor vehicle accident claim	-	72,806
	<u>-</u>	<u>159,806</u>

COMMISSION FOR THE PREVENTION OF CORRUPTION

DIRECTORS COMPENSATION - 2011/2012

Position of Director	Fees (\$)	Motor Vehicle Expenses and Subsistence (\$)	Honoraria (\$)	All Other Compensation including Non-Cash Benefits as applicable (\$)	Total (\$)
Chairman (1)	479,032				479,032
Member (1)	420,000				420,000
Member (1)	420,000				420,000
Member (1)	420,000				420,000
Member (1)	325,161				325,161
5	2,064,193				2,064,193

Notes

1. The Chairman & one (1) member resigned on 19/1/12 & 10/1/12 respectively.

COMMISSION FOR THE PREVENTION OF CORRUPTION

SENIOR EXECUTIVE COMPENSATION - 2011/2012

Position of Senior Executive	Year	Salary (\$)	Gratuity or Performance Incentive (\$)	Travelling Allowance or Value of Assigned Motor Vehicle (\$)	Pension or Other Retirement Benefits (\$)	Personal Pensionable Allowance (\$)	Seniority Allowance (\$)	Total (\$)
GMG/SEG5(1)	2012	3,459,806		796,500			84,385	4,340,691
FMG/PA3(1)	2012	2,363,623		420,000		172,947	115,298	3,071,868
FMG/PA3(1)	2012	2,204,004		420,000				2,624,004
Total		8,027,433		1,636,500		172,947	199,683	10,036,563

Notes

1. FMG/PA3 allowance of \$172,947 represents three (3) additional increments due to acquiring a first degree and allowance of \$115,298 represents two (2) seniority allowances.
2. SEG5 allowance of \$84,385 represents one (1) seniority allowance.

Commission for the Prevention of Corruption

Case Profile

Case #: CFTPCINV07002

Case Type: Illicit Enrichment under Section 14(5)(a) of the Corruption Prevention Act
Illicit Enrichment under Section 14(5)(b) of the Corruption Prevention Act

The Issues

A Customs Officer (with known income of less than JA\$1 million per annum) filed declarations showing growth in assets in excess of JA\$12 million during the period 2003-2007. This included investments of more than JA\$7 million in unregulated investment schemes.

The Charges

The officer appeared before the Commission and failed to satisfactorily explain the source of the funds and the case was referred to the Director of Public Prosecution for consideration. On the ruling of the Director of Public Prosecution the officer was summoned to appear in Court on June 18, 2009 to answer to charges of illicit enrichment. Seven counts under Section 14(5)(a) and seven counts under 14(5)(b) of the Corruption Prevention Act. The officer pleaded not guilty on all counts.

The Trial

The prosecution mounted many witnesses during the intermittent 3 years trial. The defense put forward no witnesses but the accused officer took the witness stand. On April 3, 2012 during some vigorous cross examination the accused officer on the advice of counsel chose to change the not guilty plea to a plea of guilty to 1 count of illicit enrichment of \$2,126,963.74 (breach of Section 14(5)(a) of the Corruption Prevention Act) and 3 counts for making a false statement on a declaration (breach of Section 15(2)(b) of the Corruption Prevention Act) for the periods ending December 31, 2005, December 31, 2006 and December 31, 2007

The Sentencing

On May 18, 2012 the accused officer was fined \$700,000 on one count of illicit enrichment of \$2,126,963.74 for December 2007 or 6 months imprisonment and also fined \$100,000 or 6 months imprisonment for each of the three counts of making a false statement on a declaration for the periods ending December 31, 2005, December 31, 2006 and December 31, 2007. Breaches of Section 14(5)(a) and Section 15(2)(b) of the Corruption Prevention Act.