



Investigation Report into concerns that Mr. George Callaghan, former CEO of the Sugar Industry Authority, made false statements in the Statutory Declarations filed by him for the years 2018 to 2020.

**INTEGRITY COMMISSION
December 2023**



This Publication until tabled in Parliament shall be confidential.

Section 55 and 56 of the Integrity Commission Act states:

"(4) Anything said or information supplied or any document or thing produced by any person for the purpose or in the course of any investigation by or proceedings before the Commission under this Act, shall be absolutely privileged in the same manner as if the investigation or proceedings were proceedings in a court of law.

(5) For the purposes of the Defamation Act, any report made by the Commission under this Act and any fair and accurate comment thereon shall be deemed to be privileged.

56.—(1) Subject to section 42(3)(b), every person having an official duty under this Act, or being employed or otherwise concerned in the administration of this Act (hereinafter called a concerned person) shall regard and deal with as secret and confidential, all information, Statutory Declarations, government contracts, prescribed licences and all other matters relating to any matter before the Commission, except that no disclosure made by the Commission or other concerned person in the proceedings for an offence under this Act or under the Perjury Act, by virtue of section 17(2) of that Act, shall be deemed inconsistent with any duty imposed by this subsection.

(2) The obligation as to secrecy and confidentiality imposed by this section, in relation to any documents, or information obtained under this Act continues to apply to a person despite the person having ceased to have an official duty, be employed or otherwise concerned in the administration of this Act.

(3) Every concerned person who is required under subsection (1) to deal with matters specified therein as secret and confidential who at any time communicates or attempts to communicate any such information, declaration, letter and other document or thing referred to in subsection (1) disclosed to his in the execution of any of the provisions of this Act to any person—

- (a) other than a person to whom he is authorized under this Act to communicate it; or
- (b) otherwise than for the purpose of this Act,

commits an offence and shall be liable on summary conviction in a Parish Court to a fine not exceeding one million dollars or to a term of imprisonment not exceeding one year.

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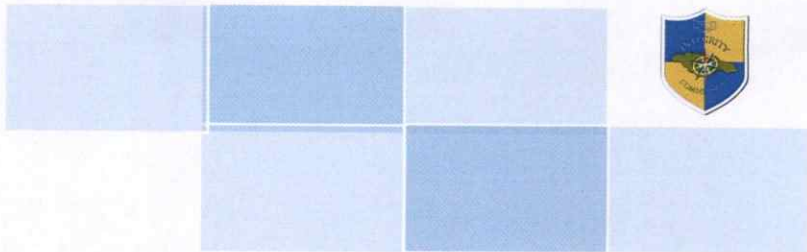


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Chapter 1 – Summary of Investigation and Findings

- 1.1 This report of investigation by the Director of Investigation (hereinafter the DI) relates to the concern that **Mr. George Callaghan**, the former Chief Executive Officer (CEO) of the Sugar Industry Authority, (hereinafter Mr. Callaghan), may have made false statements in the Statutory Declarations he filed with the Integrity Commission (hereinafter the Commission), for the periods ending December 31, 2018, December 31, 2019 and December 31, 2020.
- 1.2 The investigation found that Mr. Callaghan was required to file Statutory Declarations with the Commission at the material time, and having filed same, he failed to include in them, several bank accounts he held. The foregoing omissions constitute offences under **Section 43(2)(a) of the Integrity Commission Act (hereinafter the ICA)**.



Chapter 2 – Background

2.1 Why was this investigation conducted?

2.1.1 This investigation was commenced based on a referral by the Commission. The referral raised concerns that Mr. Callaghan may be in breach of the **ICA**, by virtue of him having omitted to disclose in his Statutory Declarations filed with the Commission, the following bank accounts:

- a) Bank of Nova Scotia (Mandeville branch) savings account numbered 50xxxxx52, opened on August 28, 1998 and closed on January 12, 2022;
- b) Bank of Nova Scotia (Mandeville branch) savings account numbered 6xxx80, opened on November 3, 2008 and closed on January 12, 2022;
- c) Scotia Line account at the Bank of Nova Scotia (May Pen branch) numbered 544xxxxxxxxx680, opened on November 4, 2007 and closed on October 29, 2021; and
- d) Victoria Mutual Building Society (VMBS) savings account numbered 40xxxxx79, opened on January 16, 2018 and closed on August 18, 2022.

2.1.2 Having reviewed the matter, the DI expanded the scope of the investigation to include the circumstances surrounding the use of the undisclosed bank accounts, together with the sole account declared by Mr. Callaghan, that being, Bank of Nova Scotia bearing account number 6xxx59.



2.2 Jurisdiction and decision to investigate

2.2.1 Section 33 of the ICA empowers the DI to investigate alleged non-compliance with the Act and acts of corruption by public officials. Consistent with the foregoing provision, and having regard to the circumstances of the instant case, the DI found that this investigation was warranted.

2.3 The Investigation

2.3.1 During the investigation, officers of the Investigation Division pursued the following lines of enquiry/investigative actions:

a) obtained information and witness statements from the responsible officers at:

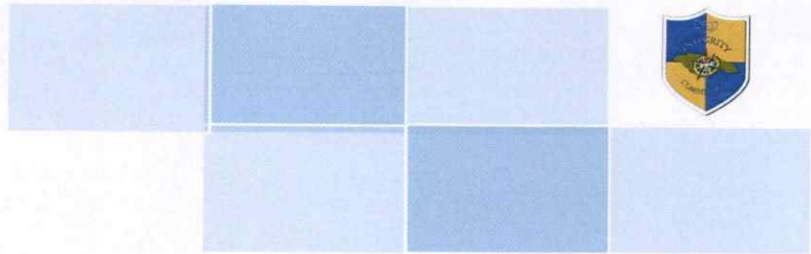
(i) Information and Complaints Division of the Integrity Commission;

(ii) Sugar Industry Authority (SIA);

(iii) Victoria Mutual Building Society (VMBS); and

(iv) Bank of Nova Scotia (BNS);

b) reviewed the information and statements collected and prepared the case file and report.



2.4 Who is the concerned public official pertinent to this Investigation?

2.4.1 Mr. George Callaghan, former Chief Executive Officer (CEO) of the Sugar Industry Authority (SIA), is the concerned public official.



Chapter 3 – Terms of Reference

2.1. The DI sought to establish whether, for the period 2018 to 2020, Mr. Callaghan:

- a) Had a legal obligation to file Statutory Declarations with the Commission and, if so, whether this obligation was discharged; and
- b) Made false statements in the Statutory Declarations he submitted to the Commission and, if so, whether offenses were committed under the ICA and/or any other legislation.

2.2. The DI also considered whether, in light of the foregoing, recommendations ought to be made.



Chapter 4 – The Law, Evidence and Discussion of Findings

4.1 Obligation to file Statutory Declarations

4.1.1 **Section 2 of the ICA** defines a public official, as, *inter alia*, a person employed to a Public body. A Public body, among other things, refer to a Ministry, Department or Agency of Government.

4.1.2 Under **Sections 39 of the ICA**, a public official has a legal obligation to file a Statutory Declaration. See appendix 1.

4.1.3 The referenced obligation can be established by proving that Mr. Callaghan (1) was, at the material time, a public official; and (2) was in receipt of the qualifying emoluments or occupied a post published in the Gazette by the Commission, requiring the occupant(s) thereof to file Statutory Declarations.

4.1.4 A witness statement obtained from the duly authorized officer at the Sugar Industry Authority indicates that, Mr. Callaghan was, the Chief Executive Officer (CEO) at the material time.

4.2 Discharge of obligation

4.2.0 Having established Mr. Callaghan's obligation to file Statutory Declarations with the Commission, it is further necessary to determine whether said



obligation was discharged. The evidence provided by the Declarations Unit at the Information and Complaints Division, Integrity Commission, disclosed that Mr. George Callaghan filed the required Statutory Declarations with the Commission for the years in question.

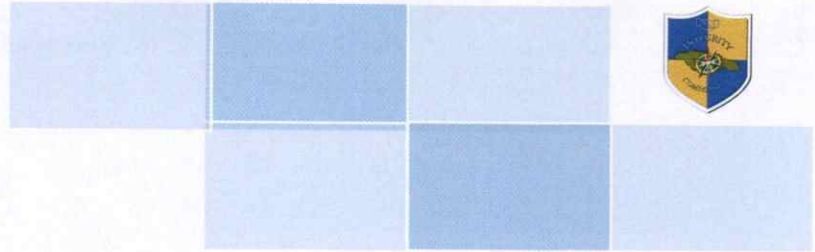
4.3 False Statements Statutory Declarations

4.3.0 Under the **ICA**, it is an offence to knowingly make a false statement in a Statutory Declaration. See appendix 1.

4.3.1 It is a requirement under the **ICA**, that declarants disclose to the Commission particulars of all assets, liabilities, gifts and income in respect of themselves, their spouses and children. More particularly, declarants are required to disclose bank accounts owned or held over the reporting period in the terms set out above.

4.3.2 Mr. Callaghan submitted his Statutory Declaration for the years 2018, 2019 and 2020. The Director of Information and Complaints, by way of letter dated June 27, 2022, requested further particulars in respect of balances on all accounts held at the BNS as at December 31, 2020. Of import, is the following extract from said letter:

"If you believe that you have omitted any other information with respect to your income, assets and/or liabilities whether they exist locally or abroad, kindly also provide full particulars of same. For the avoidance of doubt, for each asset indicated,



please state the source of funds including all supporting documents.

Please be advised that this request is being made in keeping with Sections 42(2) and 43 of the Integrity Commission Act."

4.3.3 The DI is in possession of a letter of response dated July 4, 2022, under the hand of Mr. Callaghan. The referenced letter, inter alia, disclosed to the Director of Information and Complaints a BNS account bearing account number 6xxx59, for the years 2018, 2019 and 2020.

4.3.4 The Director of Information and Complaints, again wrote to Mr. Callaghan by way of letter dated September 7, 2022, requesting further particulars in respect of balances on all accounts held at the BNS, VMBS and FGB. The letter requested balances on accounts that were not previously declared. Of import, is the following extract from this letter:

"If you believe that you have omitted any other information with respect to your income, assets and/or liabilities whether they exist locally or abroad, kindly also provide full particulars of same. For the avoidance of doubt, for each asset indicated, please state the source of funds including all supporting documents.

Please be advised that this request is being made in keeping with Sections 42(2) and 43 of the Integrity Commission Act."



- 4.3.5 The DI is in possession of a letter of response dated September 20, 2022, under the hand of Mr. Callaghan. Mr. Callaghan disclosed to the Director of Information and Complaints, statements from BNS account, bearing account number 6xxx59, that was previously provided. Mr. Callaghan further stated that he did not hold any accounts at VMBS or FGB.
- 4.3.6 The evidence obtained from the authorised officers at BNS and VMBS confirmed that Mr. Callaghan indeed held accounts that were not disclosed on his Statutory Declaration during the period under review.
- 4.3.7 Having regard to the inconsistencies outlined above with respect to the ownership of the undeclared bank accounts, an interview pursuant to Judges' Rules 2, was conducted with Mr. Callaghan on July 25, 2023. The DI highlights hereunder, the relevant questions asked and answers given by Mr. Callaghan:

Question 31: Does the information contained in the declaration provide an accurate and complete representation of the asset owned (inclusive of acquisitions and disposals), the liabilities held and income earned by you, your spouse and children at December 31st. 2018?

Answer: No comment.



Question 41: Were you, your spouse and/or children the holders of any bank account(s), other than the Bank of Nova Scotia (BNS) savings account you declared, bearing a/c #6xxx59, during the declaration period December 2018 to December 2020?

Answer: No comment on that.

Question 42: Were you, your spouse and/or children the holders of any loan account(s), to include Scotia Line and/or Credit Cards, at the Bank of Nova Scotia during the declaration period December 2018 to December 2020?

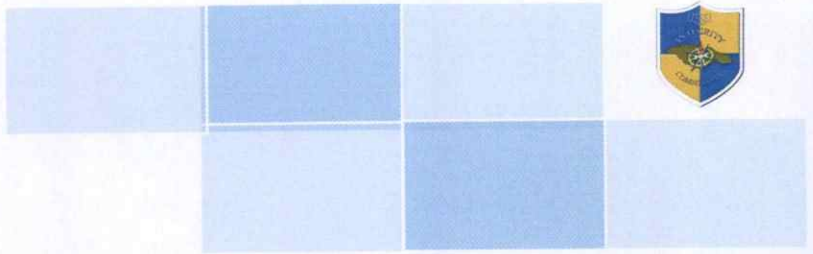
Answer: No comment on that.

Question 43: Were you and/or your spouse, the holders of Bank of Nova Scotia (Mandeville branch) savings account number 50xxxx352, opened on August 28, 1998 and closed on January 12, 2022?

Answer: No comment.

Question 44. Did you declare this account held at the Bank of Nova Scotia (Mandeville branch) number 50xxxx352?

Answer: No comment.



Question 45. Were you and/or your spouse, the holders of Bank of Nova Scotia (Mandeville branch) savings account number 6xxx80, opened on November 3, 2008 and closed on January 12, 2022?

Answer: No comment on that as well

Question 46. Did you declare this account held at the Bank of Nova Scotia (Mandeville branch) numbered 6xxx80?

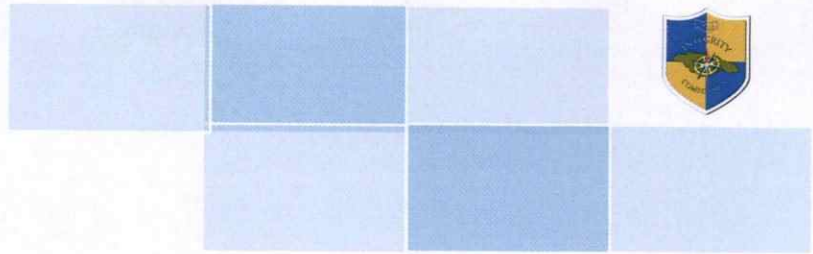
Answer: No comment.

Question 47. Were you and/or your spouse, the holders of Scotia Line account at the Bank of Nova Scotia (May Pen branch) number 544xxxxxxxx680, opened on November 4, 2007 and closed on October 29, 2021?

Answer: No comment

Question 48. Did you declare this account held at the Bank of Nova Scotia (May Pen branch) number 544xxxxxxxx680?

Answer: No comment.



Question 49. Were you, your spouse and/or children the holders of any savings account(s) at the Victoria Mutual Building Society (VMBS) during the declaration period December 2018 to December 2020?

Answer: No comment

Question 50. Were you, your spouse and/or children the holders/users of any credit facility, to include loans and/credit cards at the Victoria Mutual Building Society (VMBS) during the declaration period December 2018 to December 2020?

Answer: No comment.

Question 51. Were you and/or your spouse, the holders of Victoria Mutual Building Society (VMBS) savings account number 40xxxxx79, opened on January 16, 2018 and closed on August 18, 2022?

Answer: No comment

Question 52. Did you declare this account held at the Victoria Mutual Building Society (VMBS) number 40xxxxx79?

Answer: No comment.



Question 52. Did you, your spouse or children hold any other bank accounts, that is savings, investments or loans, which you did not declare between 2018 and 2020?

Answer: No comment

4.4 Facts surrounding the undeclared accounts.

4.4.0 The DI will now outline the particulars in respect of the undeclared accounts in question:

- (a) Bank of Nova Scotia (Mandeville branch) savings account number 50xxxxx52, opened on August 28, 1998 and closed on January 12, 2022.
- (b) Bank of Nova Scotia (Mandeville branch) savings account number 6xxx80, opened on November 3, 2008 and closed on January 12, 2022.
- (c) Scotia Line account at the Bank of Nova Scotia (May Pen branch) number 544xxxxxxxx680, opened on November 4, 2007 and closed on October 29, 2021.
- (d) Victoria Mutual Building Society (VMBS) savings account number 40xxxxx79, opened on January 16, 2018 and closed on August 18, 2022.



- 4.4.1 The DI is in possession of evidential material which confirms that the accounts listed above were, at the material time, owned by Mr. Callaghan. This confirmation came by way of witness statements along with the relevant supporting documents obtained from the respective authorized officers at both BNS and VMBS.
- 4.4.2 The supporting documents include account opening information with the signatures of Mr. Callaghan and that of his spouse Mrs. Rose Callaghan. Also included were pictorial identification cards, the Taxpayer Registration Number (TRN) known to be associated with Mr. Callaghan and his spouse; along with bank statements germane to the undisclosed bank accounts.
- 4.4.3 The DI's investigations revealed, that the undeclared accounts were used frequently during the declaration period in question. Close examination of the bank statements generated for the BNS account bearing account number 6xxx59, showed a nexus between the other undisclosed BNS accounts.
- 4.4.4 It was established that on a monthly basis, Mr. Callaghan's salary from the Sugar Industry Authority was deposited to BNS account bearing account number 6xxx59. It was observed that on numerous occasions throughout the years in question, after the deposits from the Sugar Industry Authority, a large portion, if not all would be transferred to BNS account bearing number 6xxx80, belonging to Mr. Callaghan's spouse Rose Callaghan.



4.4.5 Analysis of the bank statements for the accounts held at BNS, bearing account numbers 6xxx59, 50xxxxx52 and 6xxx80, confirmed regular transfers, withdrawals, and wire transactions, among these accounts.

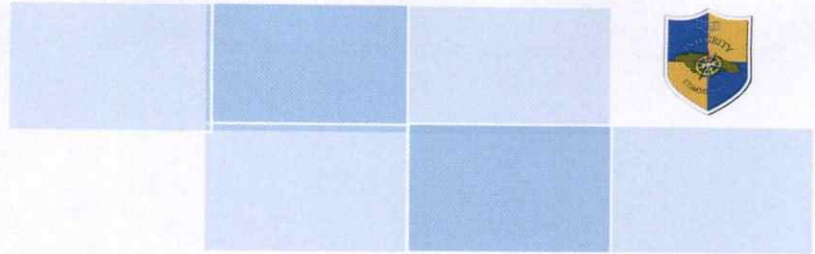
4.4.6 Additionally, from the DI's perusal of VMBS account bearing account number 401xxx79, monthly deposits were observed from the Sugar Industry Authority (SIA), from March 2018, through to September 2019. Moreover, frequent point of sale purchases, withdrawals, wire transfers and deposits were evident.

4.5 Findings

4.5.0 During the course of the investigation into the referral germane to Mr. Callaghan's Statutory Declarations, the DI followed all reasonable lines of enquiry, gathered evidential material and collected/recorded the statements of witnesses deemed appropriate.

4.5.1 The following facts have been established and are therefore not in issue:

- a) That Mr. Callaghan was required to file Statutory Declarations with the Commission for the period identified. It is also not being contested that the requisite Statutory Declarations were filed by Mr. Callaghan;



- b) That Mr. Callaghan declared one (1) bank account during the declaration period in question, that being BNS account bearing account numbered 6xxx59;
- c) That the accounts held by Mr. Callaghan and his spouse formed part of his assets and should have been disclosed in his Statutory Declarations submitted to the Commission for the years in question.

4.5.2 That aside, the issue which now detains the DI, may be articulated as follows:

Whether the omission of the bank accounts in question, from the Statutory Declarations submitted to the Commission by Mr. Callaghan for the period 2018-2020, amounts to him knowingly making a false statement in the referenced Statutory Declarations.

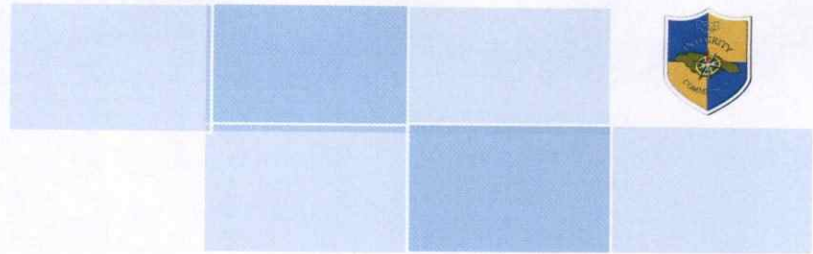
4.5.3 In resolving the above, the DI considered the following:

- a) The proximity of the letter dated June 27, 2022, from the Commission to Mr. Callaghan, to the closure of the impugned bank accounts. The bank accounts in question were closed between October 29, 2021 and August 18, 2022.
- b) From an analysis of the bank statements of the relevant accounts, frequent transactions were observed among said accounts, during the filing period in question.



- c) The information provided by the duly authorized officers at BNS and VMBS in the form of written statements, together with the relevant supporting documents, such as 'account opening' documentation; including pictorial identification of Mr. Callaghan and his spouse, confirming ownership of the undeclared bank accounts.
- d) Mr. Callaghan made no attempt to provide the Commission with any reasonable cause in respect of the omissions identified when given the opportunity to do so. During a Judges' Rules Interview conducted with Mr. Callaghan on July 25, 2023, he provided no responses to questions posed to him in respect of the issues under investigation, except to say, "no comment".
- 4.5.4 Mr. Callaghan being the legal owner of the bank accounts in question, is obliged to disclose same in his Statutory Declarations for the relevant period. Section 1 of the Third Schedule, of the Integrity Commission Act requires that declarants state the following with respect to bank accounts in their Statutory Declarations:

" Particulars of assets held by declarant, spouse and children Bank Accounts, to be supported by bank statement or letter from bank confirming balance."



4.5.5 As it relates to whether the omission amounts to the making of a false statement in the Statutory Declarations submitted to the Commission, the DI finds that it could reasonably be inferred that a false statement was made. The DI's finding in this regard, is premised on the frequency of user/owner activities regarding the undisclosed accounts, in particular, the several transfers observed among the bank accounts in question.



Chapter 5 – Conclusion and Recommendations

5.1 This chapter sets out the conclusions and recommendations of the DI.

5.2 Conclusion

5.2.0 The DI concludes that Mr. George Callaghan was, by virtue of being a Public Official and in receipt of emoluments in excess of Three Million Five Hundred Thousand Dollars (3,500,000) annually, was legally obligated to file Statutory Declarations with the Commission for the years 2018 - 2020.

The DI further concludes that save for the omission identified herein, Mr. Callaghan discharged his obligation under the law to file Statutory Declarations for the years in question.

5.2.1 In relation to Mr. Callaghan's omission in respect of the referenced bank accounts from his 2018-2020, Statutory Declarations, the DI concludes that Mr. Callaghan was the legal owner thereof and having omitted to include same in his Statutory Declarations, his Declarations were inaccurate and incomplete. The DI further concludes, that there is sufficient basis to infer that the referenced omissions amount to the offense of knowingly making a false statement to the Commission.



5.3 Recommendations

The Director of Corruption Prosecution

5.3.1 The DI recommends that this report be referred to the Director of Corruption Prosecution for consideration.

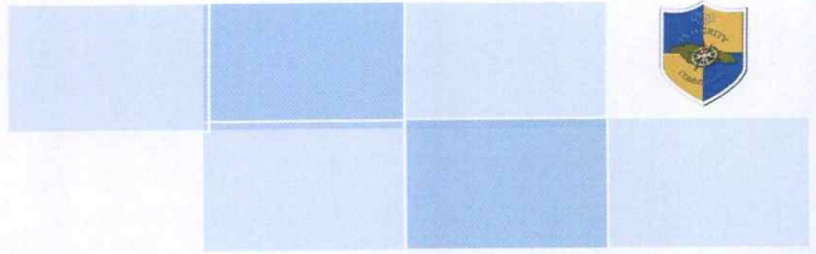
The Director of Information and Complaints

5.3.2 The DI recommends that the Director of Information and Complaints requests that Mr. George Callaghan resubmit a complete and accurate Statutory Declaration as required by the ICA.

The DI's recommendation is premised on the omission observed with respect to Mr. Callaghan's Statutory Declarations and the impact this has on the Commission's ability to conduct a thorough analysis with a view to certifying same as complete.

Kevon A. Stephenson, J.P.
Director of Investigation

December 21, 2023
Date



APPENDICES



Appendix 1: Sections 2, 39(1) & 43(2)(a) of the Integrity Commission Act

Section 2 of the ICA:

""public official means-

- (a) any person holding an executive, an administrative or a judicial office, or a parliamentarian, whether appointed or elected, whether permanent or temporary, or whether paid or unpaid;*
- (b) any other person who is employed to a public body; and*
- (c) any member of the Security Forces...."*

Section 39(1) of the ICA:

"39. -(1) Subject to the provisions of this Act, every person who, on or after the appointed day, is a parliamentarian or public official, shall submit to the Director of Information and Complaints, a statutory declaration of his assets and liabilities and his income in the form set out in the Third Schedule."

Section 43(2)(a) of the ICA :

"(2) A person who—

(a) knowingly makes a false statement in a statutory declaration;

commits an offence, and is liable on summary conviction in a Parish Court to a fine not exceeding two million dollars, or to a term of imprisonment not exceeding two years and the Court may make such order as it thinks fit."

