



Any reply or subsequent reference to this communication should be addressed to the **Chairman** and the following reference quoted:-

REF. No.:

TELEPHONE No. : 929-8560/6466

FAX No. : 929-7335

**OFFICE OF THE CONTRACTOR-GENERAL**

**17 KNUTSFORD BOULEVARD**

**P.O. Box 540**

**KINGSTON 5**

**JAMAICA, W.I.**

December 19, 2006

The Editor  
The Jamaica Observer  
40-42 1/2 Beechwood Avenue  
Kingston 5,  
Jamaica

Dear Sir:

We write with reference to an article, entitled: "The Scandal That Should Never Have Been", which was published in the Sunday Observer newspaper of December 17, 2006.

The article, which was written by your Executive Editor, Mr. Desmond Allen, gives the author's account, and perspective, of the proceedings of the Public Accounts Committee (PAC) of Parliament of Tuesday, December 12, 2006.

The article is likely to leave your readers and the Public with the misleading impression that certain conclusions in the Contractor General's Reports of Investigation, into the Sandals Whitehouse Hotel Project, "display a lack of evidence", are based upon "inaccurate information", or are "entirely" or "wholly erroneous".

More importantly, however, the author's tone and suggestive language, such as "the (Gorstew) team spent the time ruthlessly punching holes in several reports" or "Lynch also rubbished allegations in the CG's report", may have inflicted injury to the standards of balance, fairness and objectivity which we have come to expect from your Newspaper.

It is for these reasons, therefore, and in the interest of public transparency, that we would be grateful if our letter to you could be published un-edited and be given like prominence as Mr. Allen's article.

The Office of the Contractor-General (OCG) wishes to state that its Addendum to its Report of Investigation into the Sandals Whitehouse Hotel Project, contrary to what has been inferred in the article, not only clarifies, but credibly substantiates the OCG's positions on those matters which have been raised in the article.

The OCG's Addendum, along with other relevant OCG documents, may be found on the OCG's website at: <http://www.ocg.gov.jm>. It is our hope that the Public and the media, having read the Addendum and its Appendices of supporting documentation and evidence, together with Mr. Allen's article, will draw their own conclusions.

As an example, it is very important that we point out that Clause 7 to the Ackendown Newtown Heads of Agreement provides, inter alia, as follows: "*Any question arising as to whether any instructions, matter or thing has given rise to a cost overrun, shall be determined by the Project Quantity Surveyor.*"

It is instructive to note that the referenced Quantity Surveyor is the same Quantity Surveyor who was interviewed by the OCG. It was also this independent Quantity Surveyor's information, regarding the Project's original



-2-

development budget benchmark and the change in the Project's concept from a 'Beaches' to a 'Sandals' hotel, that was substantially relied upon by the OCG to assist it in arriving at the key conclusions which were the subject of Mr. Allen's report.

Specific reference should also be made to another critical aspect of Mr. Allen's account of the PAC's proceedings which, if not corrected, is likely to substantially mislead the Public.

Mr. Allen's article states that "...When PAC government member K D Knight appeared to insinuate that Gorstew had paid J\$6 million for the Ackendown land, but sold it back for J\$10 million, Zacca, also a director of Gorstew, countered that the land was sold for the same money for which it had been bought, but the transaction was in US dollars. The difference of \$4 million was as a result of exchange rate changes and devaluation in the period between".

Quite surprisingly, however, nowhere in Mr. Allen's account is there any reference to the size of the land which was bought vs. the size of the land which was sold. OCG representatives were present, in the Gallery, at the PAC hearing. Our recollection of the dialogue which transpired on this matter is that the size of the land for which J\$6 million was paid, was 287 acres, whereas 40 acres was the size of the land that was sold back for "upwards of J\$10 million".

The OCG accepts that further public challenges to its Reports of Investigation into the Sandals Whitehouse Hotel Project remain a distinct possibility. Notwithstanding, the OCG wishes to assure you and the Public that it stands, and will continue to stand, firmly and unreservedly behind those of its findings, conclusions and recommendations which are outlined in its Reports.

Respectfully,

Claudia Williams (Signed)

---

Claudia Williams  
Communications Officer

cc: All Jamaica Media Houses