



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

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MEDIA RELEASE

**OFFICE OF THE CONTRACTOR GENERAL COMMENCES INVESTIGATION INTO
COMMERCIAL ARRANGEMENTS FOR THE PROVISION OF SATELLITE SERVICES
FOR SIMULCAST RACING TO CAYMANAS TRACK LIMITED (CTL)**

Kingston; July 21, 2008 – The Office of the Contractor-General (OCG) has commenced an Investigation into allegations of irregularity surrounding an alleged proposal by SportsMax Limited to supply satellite services for simulcast racing, from South Africa and the United Kingdom, to Caymanas Track Limited (CTL).

Sportsmax Limited, which operates a Caribbean sports cable channel, is a Jamaican registered corporation whose Chairman is the Hon. Patrick Rousseau. Mr. Rousseau is also the Chairman of CTL which is a Public Body.

The OCG will also be investigating a commercial arrangement, for the provision of the subject satellite services, which appears to be tentatively in place between CTL, Phumelela Gold International (which is reportedly affiliated with Phumelela Gold Enterprises, a South African entity which owns international broadcast rights for horseracing), and International Media Content Limited (IMC), a St. Lucian based corporation.

IMC, whose primary business has been reported to be the acquisition of television and radio broadcasting rights for sporting events, has been described by both CTL and the SportsMax website as “the parent company” of SportsMax Limited. Several media stories which were carried in 2007 named the Hon. Patrick Rousseau as the Chairman of IMC.



The OCG's decision to commence the Investigation was taken, *inter alia*, after it had received a letter, which was dated July 17, 2008, from the Chief Executive Officer of CTL. The CTL letter was written in direct response to a formal OCG letter of enquiry, dated July 9, 2008, which followed a July 6, 2008 media report in which certain allegations concerning the SportsMax proposal were made.

In its letter of response to the OCG, CTL advised that IMC had been designated by Phumelela as its agent to distribute the subject satellite signals in Jamaica and also that Phumelela had informed CTL "... that IMC should be paid for satellite services from June 1, 2008 onwards".

CTL further advised the OCG that it had received a draft contract from IMC which it had sent to its lawyers for perusal. However, it said that "... although there is no contract in place, we intend to make payment to IMC pending a formal contract (and) these payments will be made to IMC as a rights fee at a rate of four percent (4%) of gross sales on a monthly basis".

It is also instructive to note that a major local horseracing stakeholder body has written to the Contractor General to express its concern regarding the implications of the July 6, 2008 media report and to formally request that the OCG conduct an investigation into the matter.

The OCG's Investigation will seek to determine, among other things, the following:

- (a) whether the satellite services which are to be supplied by IMC were procured in compliance with the Government's Procurement Procedures and Guidelines;
- (b) whether they were procured impartially and on merit and in circumstances which did not involve irregularity or impropriety;



(c) whether all requisite approvals to proceed with the procurement were obtained from CTL's Procurement Committee, CTL's Board, CTL's Accounting Officer, the National Contracts Commission (NCC) and/or the Cabinet; and

(d) by whom and in what circumstances was authorization granted for CTL to proceed with payments to IMC in the absence of a formal contract.

The OCG's decision to commence its Investigation was formally communicated to CTL's Chief Executive Officer, on Friday, July 18, 2008, by way of letter at the hand of Contractor General, Greg Christie.

The Contractor General's letter was copied to CTL's portfolio Minister, the Hon. Audley Shaw, CTL's Accounting Officer, who is the Acting Financial Secretary, Ms. Darlene Morrison, CTL's Chairman, the Hon. Patrick Rousseau, and the Cabinet Secretary, Ambassador Douglas Saunders.

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