



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

CONTRACTOR-GENERAL RECEIVES DOCUMENTARY INFORMATION NOT PREVIOUSLY MADE AVAILABLE DURING SANDALS WHITEHOUSE HOTEL PROJECT INVESTIGATION

The Office of the Contractor-General (OC-G) has announced that it is now in possession of several documents which it was unable to secure during the conduct of its recently concluded investigations into the Sandals Whitehouse Hotel Project.

The documents include the Project's site meeting minutes and original and revised cash-flow particulars which the OC-G had requested from the UDC in writing, but which were not previously handed over.

Gorstew Ltd., through its attorneys, has also made available to the OC-G, certain documents which it claims, among other things, supports its contention that the change in the concept of the Project from a "Beaches" to a "Sandals" brand, did not result in any Project cost or time overrun.

The OC-G is currently reviewing the documents and will issue a further statement upon the conclusion of its review.

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In its recent Report on the Sandals Whitehouse Hotel Project, which was tabled in the House of Representatives on July 17, 2006, the OC-G had stated that it was led to believe that the UDC had deliberately withheld information from it during the conduct of its investigations into the Whitehouse Project.

The Report had stated that "the documentation which was made available ... by the UDC ... should have facilitated, but did not facilitate an understanding of the chronological sequence of operations and events in the implementation and execution of the project, particularly as they related to the significant changes which took place in the budget and Scope of the Works of the project and what had to be the deliberate decisions of the parties which attended those changes."

As a consequence of this and other inconsistencies which were identified by the OC-G in the documents which it had reviewed, the OC-G had said that it was unable to arrive at certain definitive conclusions in its Report, inclusive of how liability for the cost and time overruns on the Project should be borne by the Project's participants.

Among his recommendations made to Parliament, Contractor-General, Greg Christie, had consequently asked that a full financial audit of the Project be carried out by the Auditor General with the aim of determining, *inter alia*, "the total monies which were spent on its development and how these sums are broken down ... (and to make) a final determination

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as to the equities and liabilities of each of the entities that are parties to the NEWTOWN Heads of Agreement".

Mr. Christie had also recommended that the Project's Quantity Surveyor and the UDC be mandated to "produce a comprehensive report detailing, *inter alia*, the rationale and justifications for the changes (in the scope of works) and cost overruns which were occasioned to the project, the specific authorizations which accompanied them and the persons to whom those authorizations were attributable". This report, he had said, should be presented to Parliament after it was evaluated by the Auditor General.

"Because of these recommendations, we have written, in the interim, to both the UDC and to the attorneys for Gorstew Ltd. to advise them to provide the Auditor General with copies of the documentation which they have submitted to us", the OC-G statement said.

By way of copy of letter, the OC-G has notified the President of the Senate, the Speaker of the House, the Prime Minister, the Chairman of the Public Accounts Committee and the Auditor General, of its receipt of the subject documents and its consequential advice given to the UDC and to the attorneys for Gorstew Ltd.



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