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MEDIA RELEASE

OCG Statement in Response to Allegations and Threats Made by Contractor Group

Kingston; July 30, 2012 – The Office of the Contractor General (OCG) will not submit to the threats and ultimatums against the OCG and at its staff, which were made before, during and after a meeting on Saturday by a group of contractors, whose members have been denied re-registration by the National Contracts Commission (NCC) as Government Contractors.

The contractors, who were called to the meeting at the Medallion Hall Hotel on Saturday morning, by a Mr. Percival LaTouche, have accused the OCG, among other things, of intimidatory tactics because they were interviewed by the OCG in tape recorded meetings and/or referred to the Fraud Squad of the Jamaica Constabulary Force.

Contractor applicants, who submit registration applications to the NCC which contain false or fictitious particulars, are, as a matter of course, invited to a formal interview by the OCG to ensure that they are given an opportunity to be heard. For the purposes of evidence gathering, it is a standard operating procedure (SOP) of the OCG that all such interviews must be formally recorded.

The contractors have also complained that the Regulations, regarding the Registration of Government Contractors, are flawed and cumbersome and that an external audit should be conducted of the NCC's Government Contractor Registration Process.

The contractors have threatened to give the Contractor General twenty-one (21) days '*to do what he has to do or release every single registration*'.

Representatives of the OCG, who were in attendance at the meeting, also overheard open and veiled threats of violence being made against at least one OCG staff-member who was named. Indeed, a contractor suggested to one of the OCG representatives that the named OCG staff member should ensure that he gets police protection.

Mr. LaTouche was also overheard at the meeting stating that he had already met with Dr. the Hon. Omar Davies, the Minister of Transport, Works and Housing, and Dr. the Hon. Peter Phillips, the Minister of Finance. Mr. LaTouche stated further that he would be meeting with Dr. Davies during the course of the current week. The nature of, or reasons for, Mr. LaTouche's intended meeting with Dr. Omar Davies remain unclear.



One of the major issues that the OCG and the NCC have been contending with, over the past three (3) years, is rampant corruption in the NCC's Government Contractor Registration process.

The grave implications and dimensions of the problem have been formally reported in the OCG's 2009 and 2010 Annual Reports to Parliament at pages 20-23 and 50-55, respectively. The OCG has also issued several Media Releases, over the years, concerning the matter as well as the OCG's interventions regarding same.

Some of the irregularities which have been identified by the OCG, and particularly those which are associated with Works Contractors' Applications, are indicative of the magnitude of fraud and corruption which has permeated Government contracting in Jamaica. They include:

- (1) Forged contractor re-registration applications, supporting documentation and certification;
- (2) Falsified information regarding the human, physical, financial and technical resources of contractors;
- (3) Falsified information about construction projects which contractors allege that they have executed;
- (4) Irregular and forged Voluntary Declarations attesting to the veracity of contractor application forms; and
- (5) Contractor representatives who were unable, during OCG interviews, to accurately recall the information which was stated on the application forms which they themselves had submitted to the NCC, via the OCG.

The OCG, which provides administrative and technical support services to the NCC, through its Technical Services Department, has, since April 2009, taken several decisive and deliberate steps to root out corruption from its midst and from the NCC's Contractor Registration Process.

These steps have included, among other things, an exhaustive and comprehensive assessment of the strengths and weaknesses of the Process and the making of formal recommendations to the NCC to, among other things, enhance the effectiveness and efficiency of the system. Regrettably, however, all of the significant recommendations that have been made by the OCG, to the NCC, to date, are yet to be implemented by the NCC.

The OCG, as a matter of necessity, has also instituted a 100% Zero Tolerance Compliance Audit of all Works Contractor Re-Registration Applications that have been submitted to the NCC.

These measures have resulted in roughly 60 contractors being investigated for major NCC registration and re-registration irregularities. As is required by law, the irregular and fraudulent particulars of several of these contractor applications have been passed over by the OCG to the Fraud Squad, whilst several of the contractors have been recommended to the NCC for delisting in compliance with the Regulations which govern the qualifications and registration of Government Contractors.

The said Regulations, which are developed and promulgated by the Government and the NCC - and not by the OCG - are clear and unambiguous in their terms. In particular, Section 15 of the NCC's Works Contractor Application Form provides as follows:



“If the information provided by the applicant on which evaluation and (contract) awards were based is found to be erroneous, then the contractor shall not be registered, or if already registered, the registration will be revoked”.

Many of the contractors that were in attendance at Saturday’s meeting would prefer if the referenced Regulations – which are intended to ensure that Government Contractors are suitably qualified, experienced and resourced to perform the Government contracts which they bid on – are relaxed.

However, since the job of the OCG is to enforce the Regulations and not to write them, it is pointless for any contractor or contractor group to make such remedial demands of the OCG, or to issue the OCG with ultimatums.

The same is also true for matters, concerning irregular Contractor Applications, which have been referred by the OCG to the Police and the NCC with supporting documentary evidence. How and when the Police, or the NCC, resolves these matters are issues which are entirely out of the OCG’s hands and in respect of which the OCG has no lawful jurisdiction once the referral has taken place.

The OCG is prepared to convene a meeting, at the earliest possible time, with representatives of all contractor and associated stakeholders, so that they can secure a better understanding and appreciation of the issues which are in contention, inclusive of the delays in the Contractor Registration Process which have resulted primarily from the increased scrutiny that the OCG has brought to bear on Contractor Applications, and the failure of the Government, to date, to accede to the OCG’s repeated requests for as little as three (3) additional staff in the OCG’s Technical Services Department.

During this meeting, the OCG will also make available copies of the innumerable but futile communications which it has directed, between April 2009 and as recently as July 2, 2012, to the Office of the Prime Minister, the Chairman of the NCC, the Office of the Financial Secretary and the Office of the Cabinet Secretary, to address many of the referenced issues.

The OCG, however, wishes to make it abundantly clear that it will not be intimidated by ultimatums or threats of violence, which emanate from any person, contractor or contractor group, from diligently and dispassionately discharging its lawful responsibilities under the Contractor General Act. Indeed, the OCG has already, today, taken the requisite steps to file a formal report with the Police regarding the threats which were made at the meeting which was convened on Saturday by Mr. LaTouche.

The OCG also wishes to publicly call upon Mr. Percival LaTouche to make available to the Media, and to the members of his contractor group, the full particulars of all of the written communications, to date, which have transpired between himself and the OCG, regarding a former Government contracting company in which he has an interest.

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