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MEDIA RELEASE

The Office of the Contractor General Concludes two (2) Special Investigation Reports

Kingston; January 8, 2013 – The Office of the Contractor General (OCG) has concluded its Special Investigation concerning suspected sham contractors who were awarded millions of dollars of government contracts by the National Housing Trust (NHT) and its Special Investigation into the Government's Divestment of its 45% stake in JAMALCO.

NHT Special Investigation Report

The OCG's Investigation into the award of contracts, by the NHT, to suspected sham contractors was prompted by significant irregularities, amongst other things, which were detected by an OCG commissioned Audit conducted in 2009. The referenced OCG Audit revealed, *inter alia*, information which suggested that a group of five (5) suspected sham contractors were allegedly involved in a criminal conspiracy concerning the award of government contracts by the NHT.

The Audit further discovered irregularities regarding the administration of the NHT's Small Contractors' Programme. The OCG, with the support of forty-one (41) pieces of evidence Exhibits, in January 2010, referred the five (5) contractors to the Jamaica Constabulary Force's (JCF) Fraud Squad.

It is instructive to note that one of the bases upon which the referenced five (5) suspected sham contractors were referred to the Fraud Squad, by the OCG, was linked to certain fraudulent representations which were made on National Contracts Commission (NCC) Works Application Forms. The OCG has since referred a total of 80 contractors whose Application Forms exhibited, *inter alia*, similar misrepresentations.

The OCG had also in 2008, launched an internal Investigation based upon certain allegations which had been proffered as it regards a then OCG member of staff who was allegedly involved in undermining the NCC's registration process.

Subsequent to the conclusion of the referenced internal Investigation, the employment contract of the OCG Officer was immediately terminated and particulars relating to the case submitted to the Fraud Squad. The Former OCG Employee is currently before the Courts on multiple charges.



JAMALCO Special Investigation Report

The OCG's decision to undertake an Investigation into the Government's Divestment of its 45% stake in JAMALCO was triggered by the failure and/or refusal of the then Ministry of Energy and Mining (MEM) to put the divestment of the referenced shares through a structured, OCG monitored competitive process. The MEM had also failed to secure, for examination by the OCG, sworn particulars regarding a British Virgin Islands (BVI) registered entity, Port Reliant Limited, which had been represented as Hongfan's 'exclusive agent'.

In keeping with the requirements of the Contractor General Act, copies of the OCG's Report of Investigation concerning suspected sham contractors who were awarded millions of dollars of government contracts by the NHT was this morning dispatched by the Acting Contractor General to eight (8) State Authorities, namely the Most Hon. Portia Simpson Miller - Office of the Prime Minister, the Permanent Secretary in the Office of the Prime Minister, Ms. Onika Miller, the Managing Director of the National Housing Trust, Mrs. Cecile Watson, the Speaker of the House of Representatives, the President of the Senate, the Clerk to the Houses of Parliament, the Director of Public Prosecutions, the Commissioner of Police and the Auditor General.

The OCG's Report of Investigation concerning the Government's Divestment of its 45% stake in JAMALCO was also today dispatched to five (5) State Authorities, namely the Minister of Science Technology, Energy and Mining, the Hon. Phillip Paulwell, the Permanent Secretary in the Ministry of Science Technology, Energy and Mining, Mrs. Hillary Alexander, the Managing Director of JAMALCO, Mr. Jerome Maxwell, the Speaker of the House of Representatives, the President of the Senate and the Clerk to the Houses of Parliament.

Section 20 (1) of the Contractor General Act provides as follows:

"After conducting an investigation under this Act, a Contractor General shall, in writing, inform the principal officer of the public body concerned and the Minister having portfolio responsibility therefor of the result of that investigation and make such recommendations as he considers necessary in respect of the matter which was investigated".

Further, it is instructive to note that Section 21 of the Act provides as follows:

"If a Contractor General finds, during the course of his investigations or on the conclusion thereof that there is evidence of a breach of duty or misconduct or criminal offence on the part of an officer or member of a Public Body, he shall refer the matter to the person or persons competent to take such disciplinary or other proceeding as may be appropriate against that officer or member and in all such cases shall lay a special report before Parliament".

Section 28 (3) of the Contractor General Act requires the Speaker of the House of Representatives and the President of the Senate to have OCG Reports of Investigation tabled in both Houses of Parliament 'as soon as possible'.



As is customary, the Clerk to the Houses of Parliament has been provided with compact discs which bear a full electronic copy of the OCG's Special Reports of Investigation.

In the interest of public transparency, and acting in pursuance of the special powers that are reserved to a Contractor General by Section 28 (4) of the Contractor General Act, the OCG's Special Investigation Reports will be published on the OCG's website at www.ocg.gov.jm, but only after the Reports have been formally laid in both Houses of Parliament.

The OCG wishes to caution that where Reports of its Special Investigation find their way into the Media prior to the tabling of the said Reports in the Houses of Parliament, or before the formal posting of same on the OCG's official website, care should be taken to disassociate any such publication from the OCG.

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