



3 MARCH 2023

PRESS STATEMENT
FROM GOVERNOR OF THE BRITISH VIRGIN ISLANDS
MR JOHN RANKIN CMG

In my Quarterly Review two weeks ago I referred to the Audits received from the Auditor General, including the Report on Government Contracts with EZ Shipping concerning the provision of barges and the Report on Government Contracts with Claude Skelton Cline. In accordance with the Audit Act 2003 I have now caused both of these Audits to be laid in the House of Assembly and accordingly I am now in a position to address their contents in more detail.

As regards the contract with EZ Shipping, the purpose of this Audit was to provide independent information and advice on whether efficiency, economy and effectiveness were achieved from the award and payment of contracts engaged by the Government for border security. The Auditor General found that although the Covid-19 crisis put the BVI Government under considerable pressure to protect BVI's borders, there was no evidence presented to support statements regarding the effectiveness of the barges. The unsolicited proposal was rejected by the Commissioner of Police who advised that the Government was achieving the same results offered in the proposal, virtually free of cost. Indeed, the data examined by the Auditor General showed an increase in activity after the barges were launched, compared to a sharp decline during the period that HMS Medway was patrolling the territorial waters. The Auditor General also notes that during the period the barges were in use the RVIPF conducted two major drug busts that were not detected by the barges.

The cost to the public of the three associated contracts was \$2.1m in total. The Auditor General also found that payments of \$700k were "unearned" and "covered two months when the barges were not used". Indeed the Auditor General requested but has not received any evidence



that the platforms were used in the relevant period. The Commissioner of Customs, Mr. Wade Smith, in correspondence to the then Acting Financial Secretary, Mr Jeremiah Frett, asserted that the barges were used from “September 2020 to January 2021.” In the same correspondence Mr Smith refused to sign the certificate on the payment voucher to confirm that the barges had been used during the period 23 December to 22 January.

In short, these payments were authorised by the National Security Council and Cabinet on the basis of incorrect information provided by the former Premier.

With regard to Claude Skelton Cline, in excess of \$350k in payments were made between March 2019 and September 2021 to Skelton Cline doing business as Grace Consulting and Grace Center. The initial contract with him stipulated a term of 6 months with remuneration of \$16,330 per month, a remuneration above that of Cabinet Ministers or the Premier. The Consultant was engaged on two additional contracts by way of tender waivers that were not based on exceptional or emergency circumstances and the Consultant did not have a valid trade licence at the time the third contract was issued. The Auditor General’s Report found “a number of focus areas which were mentioned but not developed or advanced by the consultancy.” The subsequent contracts issued to Mr Cline related to identifying, developing and delivering a portfolio of initiatives which would generate revenue for the Government.

The audit found that Mr Cline “failed to provide any analysis or assessment of the proposals” and that “none of these were progressed.” The Audit Report concludes that the review of the documents, information and contracts suggests that the primary purpose of the consultancy was not to add value to the Government but rather to provide employment to the Consultant, and the records do not show any demonstrated effort by the Consultant to actually satisfy the deliverables stipulated in the contracts. The Report also found that there was “no regard for good governance and accountability in the use of public resources”.



In short, both Audits show failures in good governance and proper use of public funds. In terms of next steps, I have forwarded the report on the contracts with Claude Skelton Cline to the Attorney General's Office for the Attorney General to assess whether the Government should pursue recovery of funds spent on the contracts and I have also asked the Director of Public Prosecutions and the Police to assess if any offences were committed.

I have similarly forwarded the EZ Shipping Report to the Attorney General's Office for assessment of whether the Government should pursue recovery of any amounts paid to EZ Shipping and I have asked the DPP and the Police to assess whether any offences were committed with respect to the engagement of the marine platforms.

In addition to those assessments, the most important point is that lessons are learned from these reports, that we implement their recommendations and put the checks and systems in place to ensure that any mistakes, missteps or wrongdoing that has occurred is not repeated. That is what the reform process following the Commission of Inquiry Report is about, ensuring that public funds are properly used for the benefit of the people of the Territory, and not misused.

You may also have seen my press statement earlier this week in relation to the leaked audit report on Assistance Grants. While it is important that all Audits received are published, it is important that due process is followed given the seriousness of matters. As such I await the tabling of the audit in the House of Assembly, at which point the report will be public with names of individual recipients redacted as appropriate. In the meantime I have ordered the Cabinet Secretary to carry out a leak inquiry in relation to this matter. I will comment further on this Audit once it is properly made public.

Let me lastly in this context restate my thanks to the Auditor General and her team for their work. The Audit Act 2003 sets out that "audit shall be undertaken in accordance with good auditing practices and standards" and I am satisfied that these audits meet that requirement. The mandate and methodology used in conducting the Audits is set out in the Reports, in the exercise of her functions the Auditor General under the



Constitution is not subject to the direction or control of any other person or authority and I offer my continued support for, and confidence in, her work.

Separately, members of the press will be aware that at my last press conference I stated in response to a question asked that it would have been possible for a dissolution of the House of Assembly to be sought and an early election held. Let me make clear that this was a true and accurate statement. The fact is that the proposal for a Government of National Unity, explicitly based on not holding an immediate election, was one made by BVI political leaders. It was not a proposal made by either myself as Governor or by the UK Government and at no point did the UK government insist that no elections be held. That said, the reason given why the Government of National Unity proposal ruled out an immediate election was so that the process of reform and implementation could begin straight away. I discussed that with the UK Government at the time and agreed that this seemed a reasonable position.

I would also take this opportunity to clarify a point regarding the Police Act. It is correct that the Act came late to the House of Assembly for consideration, with dissolution that is due to take place by 12 March i.e. the end of next week. I agree with the Premier that ideally the Act should have been presented to the House of Assembly sooner. But the impression given in some quarters that most of the amendments to the Act were made at short notice is inaccurate. Indeed a number of the issues which are now being raised were included in the 2019 version of the Bill, or in the consultations which took place on the draft legislation last year. That is not to say that there should not be a proper debate about the Bill's provisions. But any suggestion that a series of major significant changes were slipped in at the last moment is with respect not accurate. I understand that the Police Act as tabled in the House of Assembly has now been withdrawn but I very much hope the House will return to it. It is essential that the Police are given the modern tools necessary to tackle crime that blights both individuals victims and the community as a whole, while also ensuring that individual rights are protected.



In a positive vein, a specific point of progress since my last Quarterly Review which has already occurred, namely the adoption of a Protocol for appointments to statutory Boards in accordance with Recommendation B 28 of the Commission of Inquiry Report. I look forward to the Protocol being distributed and published shortly.

Finally, let me repeat today what I said in the Quarterly Review, namely that I remain fully committed to working in partnership and constructively with the Premier and all of the BVI Government in achieving the reform programme and am confident that we can continue to do so.

The Reform progress continues and I thank everyone who is working constructively to that end. I also thank you for listening and look forward to answering any questions that the members of the press may have.